

EAST CAMBRIDGESHIRE DISTRICT COUNCIL



Community Infrastructure Levy - Draft Charging Schedule

Consultation period – 3rd to 31st May 2012

Statement of Representations

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1. Overview of consultation

The District Council has set a timetable to introduce a Community Infrastructure Levy in early 2013. When it is adopted CIL will be the primary means of securing developer contributions towards the delivery of infrastructure and services required as a result of growth. It will partly replace the current system of securing development contributions via Section 106 agreements.

The CIL charges will be contained in a Charging Schedule, which needs to be prepared in line with Government Regulations. Further information on the timetable and process can be seen on our website at www.eastcamb.gov.uk/content/community-infrastructure-levy.

This document sets out the results of consultation on the CIL Draft Charging Schedule, held between 3rd and 31st May 2012. Publicity on the document involved:

- Notifying approximately 270 key stakeholders via email or letter (including developers, agents, landowners, Parish Councils)
- Press release and associated articles in local newspapers
- Consultation published on homepage of the Council's website

A total of 21 people/organisations commented on the Draft Charging Schedule – making approximately 75 comments. A summary of the main issues raised is set out in section 2 below. A summary of the responses made on each question is set out in section 3 below. Responses were received from the following people/organisations (those shaded have requested the right to be heard at the Examination):

1. Anglian Water	12. Individual respondent C
2. Bidwells (on behalf of Barratts)	13. Peacock and Smith (on behalf of Morrisons)
3. Cambridgeshire County Council	14. PlanSurv (on behalf of Grovemere)
4. Cheffins – Paul Sutton	15. Racehorse Owners Association
5. Cheffins – Philip Ambrose	16. Savills (on behalf of Mantles)
6. Ely City Council	17. Smiths Gore (on behalf of Church Commissioners)
7. Environment Agency	18. Snailwell Parish Council
8. GL Hearn (on behalf of Tescos)	19. Taylor Vinters
9. Indigo Planning (on behalf of Sainsburys)	20. Thomas Eggar (on behalf of Asda)
10. Individual respondent A	21. Unex Holdings Limited
11. Individual respondent B	

2. Summary of main issues raised

Proposed levy rates for residential development	Respondents
1. The land values and threshold land value assumptions in the Viability Assessment are too low, and sites will not come forward and be delivered at this level	Bidwells, Smiths Gore
2. The sales prices assumed in the Viability Assessment are too high	Bidwells. Cheffins – Paul Sutton, Smiths Gore
3. Other assumptions in the Viability Assessment are too low, including developer profit levels, build cost estimates, site preparation costs and Section 106 estimates. Abnormalities costs not included.	Bidwells, Cheffins – Paul Sutton, Smiths Gore
4. The construction and sales rates assumed in the Viability Assessment are over-optimistic.	Bidwells
5. Residential rate too high – will discourage development	Bidwells, Cheffins – Paul Sutton, Smiths Gore, Unex Group
6. The high rates will impact on the delivery of affordable housing, as schemes fail to come forward	Bidwells
7. Geographical charging zones not reasonable and contrary to local evidence of market values – should be amended	Taylor Vinters, Cheffins – Philip Ambrose
8. Concern that assumptions on affordable housing in the Viability Assessment may not be realised as the affordable rent regime is still emerging.	Bidwells
9. Lack of clarity on the split between CIL and S.106 on residential schemes – therefore hard to assess the effect of the charges on viability.	Smiths Gore, Bidwells
10. The rates are unfairly loaded on residential (and retail) development. The charge should be calculated by dividing total infrastructure costs by total expected floorspace, and apply a flat levy rate across the district.	Thomas Eggar
11. Stud and agricultural dwellings should be exempt from CIL charges as they have lower market value	Unex Group
12. Tourist dwellings should be exempt from CIL charges as they are business ventures	Unex Group
13. Affordable housing should be charged CIL	Ely City Council

Proposed levy rates for retail development	Respondents
1. The rate for smaller schemes (up to 350m2) is too high – concern about impact on viability of retail schemes	Cheffins – Paul Sutton, Peacock and Smith, Savills, Thomas Eggar, Unex Group, GL Hearn
2. The rate for larger schemes (more than 350m2) is too high – concern about impact on viability of retail schemes	GL Hearn, Indigo Planning, Peacock and Smith, Savills, Thomas Eggar
3. The retail levy conflicts with the Government aim of promoting economic growth and jobs	Indigo Planning
4. Having 2 differential rates for retail development is not reasonable or properly justified – they confer advantage on smaller schemes.	Peacock and Smith, Thomas Eggar

5. The Viability Assessment makes incorrect assumptions about retail development costs and values, relies on scarce data on commercial and retail land values, and is flawed.	Savills, GL Hearn
6. The rates are unfairly loaded on retail (and residential development). The charge should be calculated by dividing total infrastructure costs by total expected floorspace, and apply a flat levy rate across the district.	Thomas Eggar
7. Cut-off threshold for small and large scale schemes is too low – should be greater to allow neighbourhood centres to be developed.	Unex Group

Proposed levy rate for 'other development'	
1. Support for no business rate charge	Cambs County Council, Cheffins – Paul Sutton, PlanSurv, Unex Group
2. Support for no equine rate	Racehorse Owners Association, Taylor Vinters, Unex Group

Other matters	
1. Details of phasing of payments, payment in kind, CIL relief and CIL calculation methods should be developed prior to Examination	Bidwells, Savills
2. Need clearer details on CIL governance and spending priorities	Bidwells
3. Parishes affected by large developments outside their parish should also get a proportion of the neighbourhood funds	Snailwell Parish Council
4. CIL monies which are unspent should be able to be returned	Bidwells
5. Need greater clarify on the split between S.106 and CIL funded infrastructure	Smiths Gore
6. Important to work with infrastructure providers and other key organisations on CIL governance and spending priorities, and delivery of infrastructure projects.	Cambs County Council
7. Cost of delivering infrastructure schemes is the same in all parts of the district – yet CIL will generate different levels in different areas.	Cambs County Council
8. Inappropriate to introduce CIL in advance of the Draft Local Plan.	Smiths Gore
9. The funding gap in the CIL Infrastructure Study is inaccurate, as many transport projects relate to higher growth levels in the emerging Local Plan rather than the Core Strategy.	Smiths Gore
10. A Regulation 123 list should be produced prior to submission of the Draft Charging Schedule	Savills, PlanSurv
11. Query whether the 5% administration charge can be shared with the County Council	Cambs County Council
12. Gross floorspace definition is unhelpful and should be clarified	PlanSurv
13. Review of CIL should be set at every 2 years, with emergency reviews as necessary	PlanSurv
14. 'Meaningful proportion' of funds to Parish Councils should be defined	PlanSurv
16. Spending CIL on administration involving the collection, implementation and monitoring is not acceptable	PlanSurv

3. Summary of responses to the Draft Charging Schedule questions

Q1. Do you agree or disagree with the Council's proposed CIL rates for residential development? Please explain your reasons for agreeing or not agreeing, and provide evidence in support of your case if available.

Respondent	Rep. ID	Agree or disagree?	Summary of responses	East Cambs officer comments
Bidwells (on behalf of Barratt Eastern Counties)	2/Res	Disagree	<p>We disagree with the proposed CIL rates for residential development since we consider that there are a number of flaws in DSP's Viability Assessment which calls into question the proposed CIL Rates set out within the Council's Draft Charging Schedule. We explain these in turn:</p> <p><u>1. Land value</u> - It is fundamentally wrong to assume that landowners will be willing to bring forward development land with planning permission at the rate of £250,000 per hectare for strategic scale sites. This is an extremely low level and we are of the view that a high proportion of landowners would not be prepared to release their land on this basis. There is no local market evidence or robust transactional evidence to support the DSP assumptions on land values and insufficient allowance has been made for site specific abnormal costs such as remediation, or archaeology, cut and fill etc on all sites. These statements are not based on a 'fair return' to landowners which raises concerns over future land availability and delivering the adopted Core Strategy. Relevant guidance is provided by the HCA good practice note (July 2009) - 'Investment and Planning Obligations : Responding to the Downturn' – see paragraph 39. We disagree with the DSP residual valuation approach, we believe using an assumed land value as a specific cost is flawed and setting this cost an artificially low level to conclude that 'higher charges still maintain viability' is flawed. Bidwells has relevant market evidence to demonstrate a fair land value which should be applied.</p> <p><u>2. Developer profit</u> - The study assumes a Developers Profit margin of up to 20% on the GDV and a reduced rate of 17.50 % on strategic sites. Most developers and house builders will only undertake development where they can demonstrate a Profit on GDV of at least 20% at the outset and many banks and funders are insisting on 25% Profit on GDV in the current economic climate. We are concerned that there should be reasonable assumptions regarding Developers Profit</p>	<p><u>1. Land value</u> – This is a baseline level below which land is unlikely to come forward, and is not a benchmark or average figure. The figure was informed by evidence from recent local land transactions.</p> <p>Most of the large-scale strategic sites in the district are farmland, where the uplift in land price from agricultural to residential is very significant – thereby allowing a reasonable rate of return to the landowner.</p> <p><u>2. Developer profit</u> - The assumptions on developer profit in the Viability Assessment are reasonable rates, which have been accepted by Inspectors at the Shropshire and Portsmouth CIL Examinations.</p> <p><u>3. Affordable housing</u> - The Council's current policy on affordable housing (30%/40%) has been taken into account in the appraisal work, and results indicate that schemes are still viable with the proposed CIL charge plus standard levels of affordable housing provision.</p> <p><u>4. Private sales revenue</u> – These differences have been factored into the appraisal work.</p>

		<p>on GDV given the capital outlay and timescales associated with the implementation of larger sites.</p> <p><u>3. Affordable housing</u> - A 40% affordable housing requirement has a significant impact on viability and therefore any assumptions in respect of affordable housing revenue, build cost, contribution to Section 106 costs etc have to be realistic and prudent. Although affordable housing has generally, in the last few years, generated value this has always been due to grant subsidy and the reality once servicing and infrastructure costs have been taken into account is that affordable housing makes a loss and is subsidised by the private housing. There will be no grant funding in the future but in some quarters there is an assumption that "Affordable Rent" will help generate more revenue from affordable and thus help cover the grant void. However there is no local policy on "Affordable Rent" and as yet no indication of likely revenue generated.</p> <p><u>4. Private sales revenues</u> - The DSP appraisals use private sales revenue between £150-£300 sq ft for dwellings, which is a broad spread across the District. In our recent experience there is generally a 10% difference between gross asking price and net revenue.</p> <p><u>5. Build costs</u> - In the residential development appraisals DSP use basic build costs of between £77 and £94 per sq ft with an allowance of 4% for additional costs arising from sustainable construction. This is not sufficient to build a dwelling to meet Code for Sustainable Homes (CSH) requirements. We would normally adopt a minimum of £95 per sq ft to meet CSH Level 3 and would make additional allowances for increased costs associated with future Code requirements up to £115 per sq ft overall. There could also be additional build costs in terms of lifetime homes requirements and other items. Additionally no separation has been made between affordable and open market units. The design standards required by the HCA contribute additional costs to the developer.</p> <p><u>6. Construction and sales rates</u> - The construction and sales rates used by DSP appear extremely optimistic. National statistics would probably indicate an average sales rate of in the region of 0.5 units per week in current market conditions. Sales rates have significant implications for developers' cash flow which is very important to development viability. It is therefore essential that the assumptions are correct.</p>	<p><u>5. Build costs</u> - The assumptions on build cost are based on standard rates for Code Level 4 used in appraisal work. The CIL Charging Schedule is likely to be reviewed within 2 years, therefore it was not considered necessary to budget for a higher code level than this.</p> <p>The design standards required by the HCA do not result in a significant difference in build cost between private and affordable housing. For some aspects, costs can be lower – for example, private housing tends to include the provision of garages whilst affordable properties usually only provide car parking spaces.</p> <p><u>6. Construction and sales rates</u> – The housing market remains relatively buoyant in East Cambridgeshire, compared to the rest of the country. This is due to the strength of the Cambridge economy.</p>
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Cambridgeshire County Council	3/Res	Agree	It is acknowledged that different parts of East Cambridgeshire have different viability challenges. However, it should be noted that the costs to the County Council of providing services and infrastructure are generally uniform across the District. For example the cost of providing a new school in Littleport would be the same as providing a new school in Ely. However, given viability issues, the County Council supports these rates subject to a review on an annual basis to address the viability gap and appropriate proportions of CIL revenue being agreed for County Council services.	Comments are noted. Charging rates need to have regard to viability levels, and cannot be based solely on infrastructure costs.
Cheffins - Paul Sutton	4/Res	Disagree	<p>The latest viability assessments produced by Dixon Searle use revised figures, reflecting concerns expressed by a number of consultees at the PDCS stage. However, we have still have concerns over several matters, as summarised below. We firmly believe that the proposed CIL rates for residential development are still too high, and that in order to ensure strategic sites are brought forward, rates should be around 25% lower.</p> <p><u>1. Residential Values</u> – We have still have concerns that the figure being used to generate residential land values (£220/sq.ft) is still too high – our research has shown that a figure closer to £200/sq.ft is more realistic. The Council's consultants acknowledge that the lack of recent sales evidence provides a poor basis for setting this figure.</p> <p><u>2. Infrastructure Costs</u> – The figures being used equate to around an average of £6,430 per unit (assuming 30 units per hectare), which would equate to around £210,000 per acre for site servicing. However, we have comparables from other recently developed, large, strategic sites that show a figure of £250,000 per acre for servicing costs is more normal and therefore realistic.</p> <p><u>3. Section 106 costs</u> – A figure of £10,000 per unit has been used, but it is not clear how this has been derived. Our concern is this figure could well be considerably higher once all the various contributions are included, such as education, community facilities, health, transport etc. Despite the explanation in the DCS it is still not clear how potential “double-counting” on large strategic sites will be prevented (e.g. for education). The DCS acknowledges that “the proposed split between CIL and Section 106 is an estimate at this stage” and that “final clarification on the split will be provided prior to the Charging Schedule taking effect”. This issue goes to the core of the relationship between CIL and Section 106, so the split must be clarified at this stage, if the</p>	<p><u>1. Land values and sales prices</u> – The viability study work has been reviewed in this respect, accepting that the December 2011 assumption on Ely values should be adjusted. A value level has been added at £2,350/sq m (approximately £218/sq ft) sales values to reflect this and the study addendum explains that a judgment has to be made based on a range of development types and not just on past data. This has culminated in a proposed CII charging rate reduction (to £70/sq from £90/sq m) for Ely.</p> <p><u>2. Infrastructure costs</u> - The site preparation costs in the VA are based on reasonable rates derived from local and national evidence.</p> <p><u>3. S.106 costs</u> - The Viability Assessment looked at a notional scheme of 400 dwellings and assumes that £10,000 per dwelling will be secured for S.106 purposes. This amount was informed by an analysis of past and future potential Section 106 agreements on large sites in East Cambs, and is considered to be a reasonable average estimate.</p>

			consultation process (and subsequent examination) are to be sound. We believe that the Council should review their policy on the provision of affordable housing at the same time as the introduction of CIL and the review of the Core Strategy. If affordable housing provision is maintained at existing levels, and CIL is introduced at the levels proposed, many strategic sites will have marginal viability, which will inevitably result in a “trade-off” between the level of affordable housing provision and the amount of CIL and/or section 106 monies received.	
Cheffins - Philip Ambrose	5/Res	Partially disagree	I agree with the proposed rates per square metre for the residential zones A, B and C. However, I do not agree with the area of the respective zones, particularly Zone C, which makes no allowance for the differential in values between the north half of the area and the southern half. I enclose a plan which better reflects the 3 residential zones. The Ely area includes Ely, Queen Adelaide and Chettisham. Zone B includes the northern half of the area. Zone C includes the southern half.	In practice values patterns are highly complex – with values and therefore viability scenarios varying between sides of a road or even within a single scheme depending on orientation of units, etc. A simpler, broader view needs to be taken for CIL, as has been done in East Cambs. The proposed CIL rates variation reflects the variety seen between the key settlement areas in the context of the housing supply that will underpin the plan delivery. The differential rates in the East Cambs PDCS/DCS represent a broad band of viability levels, but have been pitched at a reasonable level to enable most development in the areas to be deliverable – as is relevant to the plan delivery (and noting that under the principles of CIL this is different to an expectation that all schemes in all locations will remain viable). Evidence is set out in the Viability Assessment and Addendum.
Individual A	10/Res	Agree	No comments	-
Smiths Gore (on behalf of the Church Commissioners)	17/Res	Disagree	We disagree as we do not support the viability assessment that has been undertaken in a number of respects and we believe that the proposed CIL rate will have an adverse effect on the delivery of housing growth, for the following reasons: <u>1. Prematurity</u> - It is inappropriate in our view to introduce the draft CIL Charging Scheme in advance of the forthcoming draft Local Plan. Government guidance suggests that CIL should be based on an up to date development plan – or if based on a draft plan, should be examined at the same time to ensure consistency. The draft	<u>1. Prematurity</u> – The Core Strategy is relatively recent, adopted in 2009. The CIL Infrastructure Study is based on the Core Strategy levels of growth. Once the new Local Plan is adopted it is intended to update and review CIL accordingly. <u>2. Lack of transparency/clarity (S.106)</u> – The DCS Consultation Paper goes a

			<p>Infrastructure Plan is partly based on the existing Core Strategy but partly on growth anticipated in the future Local Plan. The forthcoming Local Plan will set out the overall level and distribution of growth and other key matters such as the level of affordable housing required. That will have a major impact on viability. There is a danger that the CIL process will be out of line with the development plan process and therefore charges will be set which do not properly reflect actual site development costs, the level of growth planned in different settlements or the infrastructure requirements.</p> <p><u>2. Lack of transparency or clarity (S106 split)</u> - In order to properly assess the effect of the charging scheme on viability we believe it is essential to have clarity on the split between CIL and S106 and for the full extent and cost of the proposed S106 obligations to be clear. Table 1 of the Charging Schedule fails to achieve this. We need clarity to avoid actual or perceived double counting, The Infrastructure Study states that development in North Ely is expected to make provision for a new primary school and that this will be S106-funded (Table 6-13). If that is the case then Table 1 of the Draft Charging Schedule should make it clear that the Section 106 development specific infrastructure is in fact 'development-specific primary educational facilities...'. If a strategic site funds a primary school, it will also be paying CIL charges for other district-wide educational needs. Non-strategic sites will only pay the CIL charge. That seems inequitable and fundamentally unfair. It should be noted that the Primary School referred to in Table 6-13 is presumably in respect of the current Core Strategy Allocation of 500 houses. The cost (£5.475M) therefore of this one S106 item alone is equivalent to over £10,000 per house – a cost that is recognised in the Viability Assessments. Table 1 states that strategic green infrastructure will be CIL-funded. Does that mean, the Ely Country Park will be funded through CIL rather than via S106? There are other examples in Table 1.</p> <p><u>3. Incorrect S106 Assumption</u> - The viability assessment refers to an assumption of 'residual' S106 costs of £10,000 per dwelling. We do not accept this figure and believe a better estimate, for strategic sites, judging from Table 6-13, to be closer to £20-25,000/dwelling, which will render most developments unviable even without CIL. We will provide evidence to the Inspector of the County Council requesting what equates to approximately £19k/dwelling for education purposes alone in discussion of a current planning application. We expect the County &</p>	<p>considerable way to making the likely split between CIL and S.106 as clear as possible. Double counting will be avoided as it has to be under the Regulations/Localism Act.</p> <p><u>3. Incorrect S.106 assumption</u> - The Viability Assessment looked at a notional scheme of 400 dwellings and assumes that £10,000 per dwelling will be secured for S.106 purposes. This amount was informed by an analysis of past and future potential Section 106 agreements on large sites in East Cambs, and is considered to be a reasonable average estimate.</p>
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			<p>District Councils to also require contributions to other infrastructure. This is important because it is strategic sites which will deliver the bulk of the District's future housing land supply. The extent of likely ongoing S106 requirements is such that, for large strategic sites, there is a case for a 'no-CIL' zone. Our own appraisal (see Appendix 1) shows that with the proposed CIL charge and the above residual S106 many sites will not be viable.</p> <p><u>4. Site Values & Development Costs</u> - We have already expressed concerns about the values attributed to new housing in Ely, which has resulted in the introduction of VL 3a. Evidence demonstrates the average sales value in North East Ely, adjoining the main growth area are approximately £200 per sq ft (we will provide this evidence to the Hearing). Notwithstanding this, Dixon Searle (DSA) has attributed a value of £219 per sq ft . Reasons stated for this higher valuation include the need to 'look forward'. Unfortunately, decisions to take forward developments are made on the basis of current not future conditions. By using the HCA Toolkit DSA have taken the exercise to a level of detail, which is really not appropriate for a general CIL policy of this nature, but more importantly they under-estimate the costs of bringing forward large scale developments. The sample assessment made in the May 2012 consultation draft is based on a 400 house scheme, whereas the current application in North Ely is for 800, which will be part of a 3000 house development. The viability of such schemes, requiring early provision of major infrastructure, is very different from a 100 or even 400 house scheme irrespective of CIL. For instance, in the model provided, we do not see any provision for site 'abnormals', such as off-site drainage, services, utilities and spine roads and other items that are usually accounted for as such by housebuilders. An allowance of 20% of build cost has been made to cover 'externals', but this will no more than cover the normal on-site external works such as estate roads and drainage etc. For large scale schemes, and depending on specific circumstances, these abnormal costs may well be substantial. This includes high S.106 requirements as detailed in 3. above. The over-estimation of values and under-estimation of costs will mean that the levels of RLV will be considerably below the projected levels and close to or below the 'minimum' levels. It has been recognised in the Viability Assessment (paragraph 2.10.2) that other aspects of the planning obligations may need be to be reassessed in any case. However, we believe that this will be done against an unrealistic belief of the values that landowners will accept –</p>	<p><u>4. Site values and development costs</u> - The viability study work has been reviewed in this respect, accepting that the December 2011 assumption on Ely values should be adjusted. A value level has been added at £2,350/sq m (approximately £218/sq ft) sales values to reflect this and the study addendum explains that a judgment has to be made based on a range of development types and not just on past data. This has culminated in a proposed CIL charging rate reduction (to £70/sq from £90/sq m) for Ely. It is not usual or appropriate to allow for abnormal costs, which are highly variable, at this level of study. Their inclusion affects the consistent review of viability. The contingency assumption is considered appropriate As in all cases, however, single assumptions must not be viewed in isolation. Again, overall the approach and assumptions are considered appropriate.</p>
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		<p>see below. This reinforces our belief that the CIL Charging Schedule can only properly be considered at the same time as a draft DPD and revised Developer Contributions SPD.</p> <p><u>5. Minimum land values</u> – We are not aware of any landowners who will release land for sale at values between £250,000 and £500,000 per acre (see below). DSP has presented no evidence to support this figure. In our experience values well above £250,000/ha, which in any case is a gross figure from which the owner will need to meet the (speculative) cost of promoting the site and securing planning permission, are required to incentivise landowners to bring their land forward to the market, particularly with larger sites. Owners of strategic greenfield land are often ‘long term’ landowners with few pressures to sell and view development opportunities in generational terms. Whilst most landowners accept that the market has adjusted over the last few years to the extent that values have fallen 40-50%, they are also well aware of the potential for land values to improve and unless realistic levels are set land will not come forward. Terms have recently been agreed for the sale of a 0.8ha site in north Ely at a value of £1M/ha which would appear to be a much more realistic assessment. We do not consider that land will come forward for development at the levels suggested by the Council, which represents between 3% and 7% of GDV. At this level, the value of land will be little more than the developer’s marketing fees. Historically, the land content has been assessed at a third of GDV. In the case of North Ely we believe that growth will simply not be delivered if such an approach is adopted.</p> <p><u>6. Infrastructure Study</u> - Many of the infrastructure requirements in the Infrastructure Study appear to relate to levels of development well above that in the Core Strategy. E.g. in Table 12.1, ‘new access from Kings Avenue roundabout to the A10 and new signalised junction between A10 Access Road and Lynn Road, the Southern Link Road scheme and dualling of the A10.’ These originate from the Ely Modelling Report and are measures conceived to address longer term growth than the Core Strategy. There are also items of transport infrastructure that would normally be undertaken as part of site-development. E.g. Table 12.2 lists ‘fourth arm at the B1382 Ely Road/Prickwillow Road/Kings Avenue roundabout’ which is costed at £500,000. The implication is that it will be funded from CIL. There are other similar examples. For the two reasons above we therefore believe the funding gap to be significantly over-stated.</p>	<p><u>5. Minimum land values</u> - This is a baseline level below which land is unlikely to come forward, and is not a benchmark or average figure. The figure was informed by evidence from recent local land transactions.</p> <p><u>6. Infrastructure Study</u> – The CIL Infrastructure Study focuses on infrastructure required as a result of development in the Core Strategy. Both potential S.106 and CIL schemes are included. The District Council is simply required to identify that a funding gap exists. The identified gap is very significant, so even if some costs decrease, it is likely to still be a large gap.</p>
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Taylor Vinters	19/Res	Disagree	I agree that it was necessary to introduce a different levy for Ely. But I am concerned regarding whether £90 per m2 is appropriate for the rest of the district. Whilst there is a premium on houses nearer to Cambridge, as currently drafted houses to the north of Ely are included in the "rest of the district" and they do not benefit from any premium. I believe that developers will struggle to fund developments and that the Ely levy needs to be spread to cover villages such as Haddenham, Witchford, Coveney, Wilburton, Wicken.	In practice values patterns are highly complex – with values and therefore viability scenarios varying between sides of a road or even within a single scheme depending on orientation of units, etc. A simpler, broader view needs to be taken for CIL, as has been done in East Cambs. The proposed CIL rates variation reflects the variety seen between the key settlement areas in the context of the housing supply that will underpin the plan delivery. The differential rates in the East Cambs PDCS/DCS represent a broad band of viability levels, but have been pitched at a reasonable level to enable most development in the areas to be deliverable – as is relevant to the plan delivery (and noting that under the principles of CIL this is different to an expectation that all schemes in all locations will remain viable). Evidence is set out in the Viability Assessment and Addendum.
Thomas Eggar (on behalf of Asda)	20/Res	Disagree	We object to the approach taken to assessing the Charging Schedule, and the disproportionate loading of the CIL on 2 limited classes of development – retail uses (see responses on retail below), and additionally, residential development. This will result in 2 consequences; firstly, all other forms of development will receive a massive subsidy at the expense of commercial housing building (and retail); secondly, there will be corresponding disincentive to invest in those 2 sectors of the economy. This is likely to distort the local market, and put the overall development of the area at substantial risk. A fairer approach would involve dividing the total infrastructure costs by the total expected floorspace, and apply a flat levy rate across the district and across all forms of development. This flat rate would be balanced by the Council's implementation of Exceptional Circumstances relief for those uses not currently viable.	The Viability Assessment work indicates that the proposed residential and retail charges are reasonable and will still enable development to come forward. The proposed alternative approach would mean certain types of development would not be deliverable – as evidenced by the Viability Assessment.
Unex Group holdings limited	21/Res	Disagree	The rate of £90 per m2 for residential development in the rest of the district is high and does not take into account certain types of residential development which may struggle with viability. For example, dwellings for stud workers appear to be liable for CIL payments and yet	Stud and other rural worker dwellings are not built on a speculative basis for sale on the open market – and serve a specific purpose for rural businesses.

		<p>these properties usually have restrictions preventing them from being sold or let on the open market. Residential properties such as dwellings for stud workers should be exempt from the charge. In addition, where a stud or agricultural enterprise has been struggling with viability it may, subject to planning, seek to diversify by erecting holiday homes. Again a CIL levy on a new financially sensitive venture could seriously affect the viability of the holiday homes business. In the same way as other business development is exempt, residential development for tourism, leisure and holiday accommodation should be exempt.</p>	<p>Holiday cottages for tourist use usually involve the conversion of existing buildings, and therefore CIL will not generally be charged.</p>
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Q2. Do you agree or disagree with the Council’s proposed CIL rates for retail development? Please explain your reasons for agreeing or not agreeing, and provide evidence in support of your case if available.

Respondent	Rep. ID	Agree or disagree?	Summary of responses	East Cambs officer comments
Cambridgeshire County Council	3/Retail	Agree	It is acknowledged that the infrastructure required from this type of development, such as new roads and/or junctions, or public transport subsidy can be significant. The County Council accepts this rate on the condition that it is reviewed on an annual basis.	Comments are noted.
Cheffins - Paul Sutton	4/Retail	Disagree	The lower retail development rate (up to 350m2) is too high, and will be a particular burden on smaller retail uses, particularly in local and neighbourhood centres on strategic sites. We firmly believe that the proposed CIL rates for retail development are still too high, and the rates should be around 25% lower.	The Viability Assessment shows that the proposed CIL charges for retail development are reasonable, and would not prevent schemes coming forward. No alternative appraisal evidence has been provided by this respondent.
GL Hearn (on behalf of Tescos)	8/Retail	Disagree	Tesco are currently working with Mantle to prepare a planning application for new store on land off Angel Drove. Rather than repeat Savills comments on behalf of Mantles, I write to confirm that Tesco share their position of concern over the level of the proposed retail CIL rates and consider that it would be detrimental to the sustainable development of the district.	See responses to Savills comments below.
Indigo Planning (on behalf of Sainsburys)	9/Retail	Disagree	<p>The proposed retail levies are both unreasonable and unjustifiable. It will be too onerous for developers and operators to pay this levy in respect of foodstore development in addition to having to pay considerable Section 106 contributions. This is compounded further where other elements of a scheme, such as a petrol station, will also be subject to the higher rate levy. The figures have not been robustly assessed in terms of potential impacts on the economic viability of development for foodstores.</p> <p>Furthermore, the imposition of this levy will conflict with key national policy aims in the NPPF for promotion of sustainable economic development. Retail development is recognised as economic development that generates employment. The NPPF confirms at paragraph 153 that: “Supplementary planning documents should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.” Furthermore, paragraph 173 recognises the importance of ensuring viability.</p>	The Viability Assessment shows that the proposed CIL charges for retail development are reasonable, and would not prevent schemes coming forward. No alternative appraisal evidence has been provided by respondents.

Individual A	10/Retail	Agree	-	Support noted.
Peacock & Smith Ltd (on behalf of Morrisons)	13/Retail	Disagree	We strongly object to the proposed CIL rate of £120/sq.m m. This rate is significantly higher than those being proposed by Shropshire, Huntingdonshire and Plymouth who have adopted rates of between £0 and £100/sq.m m. We also object to the significantly lower CIL rate of £60 for retail developments, which will unreasonably favour smaller scale retail developments over larger schemes and appears to support a decision by the charging authority (the Council) to support smaller units which goes beyond viability considerations alone and conflicts with national planning policy guidance. It is considered that separate rates for new retail development of different sizes is not reasonable or properly justified, and has the effect of conferring selective advantage within the retail development sector. It is suggested that the proposed CIL rate for all retail development is set at £100 per sq.m for all developments over 100sq.m.	The Viability Assessment shows that the proposed CIL charges for retail development are reasonable, and would not prevent schemes coming forward. No alternative appraisal evidence has been provided by respondents. The proposed rates are based on viability information, and not political judgments.
Savills (on behalf of Mantles)	16/Retail		<p>The evidence base supporting CIL is not up to date, consistent or well informed. It is recommended that the following changes should be made prior to submission to the Examiner:</p> <ol style="list-style-type: none"> 1. Review the incorrect appraisal inputs and omitted variables 2. Provide further information on the formulation of the benchmark land values; given these have a very important role in providing the District Council with guidance on the viability of the CIL rates proposed. 3. Make various amendments to the supporting evidence and appraisals to account for the omissions and discrepancies [see full representations for details] 4. Set levels of retail CIL rates based upon residual appraisal results produced using realistic costs and values [as detailed in the full representations] 5. Outline the necessary supporting documentation to ensure the effective implementation and operation of CIL prior to Examination. 6. Prior to submitting the Draft CIL Charging Schedule to the Examiner, the District Council should draft a Regulation 123 Infrastructure List in close consultation with key delivery stakeholders including our client. <p>The present evidence of DSP is an inadequate representation of the economics of retail development, and alternative assessments have been proposed by Savills to demonstrate the cumulative impact on viability. The present approach of setting retail CIL rates of £120/m2 and £60/m2 for retail development is likely to render a significant proportion of retail development as unviable. Whilst we have demonstrated the impact on large retail, we have not had the resource</p>	<p>The Viability Assessment shows that the proposed CIL charges for retail development are reasonable, and would not prevent schemes coming forward.</p> <p>Bearing in mind its high level nature and the approach to assumptions together with explorations of sensitivities explained in the viability study, the Council considers that the correct balance has been struck in proposing the retail charging rates.</p> <p>The representations provided mainly serve to show that a great range of results can be achieved through varying assumptions, as is often the case with case specifics let alone a high level residual land valuation exercise relevant to a range of scenarios.</p> <p>The conclusion of the representation appears to be for a charging rate applicable to large format retail (as envisaged by the Council) at a reduced rate of £105 compared with the proposed</p>

			<p>to apply the same testing to the medium and small retail scenarios. Nevertheless, many of the same omissions have been made from DSP's appraisals of those scenarios and we are therefore concerned with the robustness of all of the supporting viability testing of retail scenarios that has been produced by DSP. We would urge the District Council to review these inputs in order that the supporting evidence adequately justifies the CIL rates proposed. In particular, we are concerned over the lack of data on commercial and retail land values and the arbitrary method by which the residual land appraisals have been benchmarked. We have evidence of retail development land transactions within the District which we would be willing to share with the District Council and their consultants on a commercially confidential basis.</p> <p>The approach of the District Council seeks to set CIL taking into account a 'buffer' from the rates proposed by DSP as being viable. It is our concern that the appraisals produced by DSP, and the assumptions within them, do not provide the District Council with an appropriate base on which to form this judgment. We also feel that the 'buffer' is not sufficient and a reduction of 25% from the maximum CIL rate would be more appropriate. As demonstrated through the appraisals provided by Savills, an incorrect or inflated rental value, combined with inaccurate land value benchmarking, can produce totally artificially inflated levels of viability which, in practice, would not occur, resulting in retail development being stymied across the District.</p>	<p>rate of £125. The Council considers that this amounts to introducing an artificial degree of sensitivity to viability outcomes; in reality a wide range of viability factors could have a greater impact on viability than CIL in the case of either of these rates and particularly when looking at the difference between the two.</p>
Taylor Vinters	19/Retail	Agree	-	Support noted.
Thomas Eggar (on behalf of Asda)	20/Retail	Disagree	<p>We object to the approach taken to assessing the Charging Schedule, and the disproportionate loading of the CIL on 2 limited classes of development – retail uses (see responses on retail below), and additionally, residential development. This will result in 2 consequences; firstly, all other forms of development will receive a massive subsidy at the expense of commercial housing building (and retail); secondly, there will be corresponding disincentive to invest in those 2 sectors of the economy. This is likely to distort the local market, and put the overall development of the area at substantial risk. A fairer approach would involve dividing the total infrastructure costs by the total expected floorspace, and apply a flat levy rate across the district and across all forms of development. This flat rate would be balanced by the Council's implementation of Exceptional Circumstances relief for those uses not currently viable.</p>	<p>The Viability Assessment work indicates that the proposed residential and retail charges are reasonable and will still enable development to come forward. The proposed alternative approach would mean certain types of development would not be deliverable – as evidenced by the Viability Assessment.</p> <p>A supermarket and a corner shop may sell the same class of goods – but in practice they are very different uses and are aimed at different markets. The viability appraisals also demonstrate very different value levels. The CIL system</p>

			<p>The retail sector is very dynamic and is one of the largest employers and creator of new jobs. This phenomenon is not acknowledged in the papers, nor is there a meaningful assessment of the role of convenience retail within the national economy.</p> <p>The proposal for 2 retail rates is contrary to the CIL Regulations. See clause 13 (1) which states that a charging authority may set differential rates by reference to zones or different intended uses of development. It does not allow differential rates based solely on the size of developments that are intended for the same use.</p> <p>The proposal for 2 retail rates is not justified by the viability evidence. The RLV tables in the Viability Assessment demonstrate there is little difference in the ability of small and large retail units to bear CIL charges of the same rate. The viability impact on small stores and large supermarkets, with medium and high value levels, is equally acceptable even at the high level of CIL pro-charge, when considering Greenfield sites. DSP also conclude in their report (para 3.4.6) that 'in pure viability terms the specific floor area of a scheme is not so critical as to cause particular switches in outcome at certain fixed size points....' As can be seen from DSPs conclusions, the size of a retail unit is not a critical factor in determining viability.</p> <p>We recommend that the Council:</p> <ul style="list-style-type: none"> • Adopts a single flat rate across all development, as described above, and/or • Reduces the CIL charge for large scale retail units from £120/m2 to £60/m2 	allows local authorities to identify charges for different uses, which are not restricted by the planning system's Use Class classifications.
Unex Group holdings limited	21/Retail	Disagree	<p>The downturn in the economy is resulting in numerous retail business failures. A CIL rate of £120 per m2. is high and will have a negative effect on viability. A large supermarket is unlikely to be affected by this levy but the viability of neighbourhood shops, restaurants and public houses etc. could well be affected. The threshold at which the rate changes from £60 to £120 seems too low. In new residential developments the local centres / neighbourhood shops struggle financially until there is a sufficiently large local community to provide continuous trade certainty. For that reason developers often find it difficult to attract occupiers into local centre outlets in the early phases of developments and the new communities consequently have no facilities. The size threshold should be increased substantially in order that the CIL payment does not prevent small scale retail and food /</p>	The Viability Assessment shows that the proposed CIL charges for retail development are reasonable, and would not prevent schemes coming forward. No alternative appraisal evidence has been provided by respondents.

			drink facilities from being developed. A developer will not want to build a unit, in a new development, if he is going to have to pay a CIL levy whilst he knows that he may struggle to find a tenant / operator.	
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Q3. Do you agree or disagree with the Council's proposed CIL rates for other development? Please explain your reasons for agreeing or not agreeing, and provide evidence in support of your case if available.

Respondent	Rep. ID	Agree or disagree?	Summary of responses	East Cambs officer comments
Cambridgeshire County Council	3/Other	Agree	It is acknowledged that other development may have an impact on the transport and highway network for example. However, in the interests of supporting economic growth in the District, the County Council accepts this rate at present. As per the other rates, it should be reviewed on an annual basis.	Support noted.
Cheffins - Paul Sutton	4/Other	Agree	Dropping the business rate previously proposed is a sensible move, and reflects the Council's own consultants views on the matter of stifling new business development.	Support noted.
Individual A	10/Other	Agree	-	Support noted.
PlanSurv Ltd (on behalf of Grovemere)	14/Other	Agree	The reduction of the levy imposed on business envelopment from £10 per square metre to £0 per square metre and the acknowledgement that CIL must not unduly burned the economic development of the district is welcomed.	Support noted.
Racehorse Owners Association	15/Other	Agree	The proposed zero rate for equine uses is very important, as any charge would have serious viability issues for some businesses. The financing of the British racing industry remains precarious. Prize-money has been in decline since 2009, dropping by over £16m from £100.4m to £93.9m in 2011. This represents a return to 2003 prize money levels, despite the facts that the costs associated with breeding and training horses have risen significantly during the period. As a result, the net return to owners in Britain remains low, with on average an owner getting back £21 for every £100 spent. The number of owners has been falling for 4 years - therefore the importance of the zero charge rate cannot be overstated.	Support noted.
Taylor Vinters	19/Other	Agree	I agree with the removal of the levy charge for equine related development. The very nature of this type of development in the District is linked to either racing or studs and the type of the development they require often results in a substantial build, in particular American Barns, stables, indoor rides. Studs and racing yards would be unable to pay large sums of money upfront as the return on their investment is not a quick as that for residential, there is not always an obvious uplift in value that could be used to raise finance to pay a levy. It is essential that this levy remains at £0 otherwise the equine community would suffer greatly, and development and investment in this industry is likely to cease.	Support noted.
Unex Group holdings limited	21/Other	Agree	We agree that the £0 rate for business development and for equine-related development is correct. In the current economic climate business development is struggling and any additional costs or levies could have serious financial implications. Equine developments struggle with financial viability as they do not generate high incomes but can be relatively expensive to construct. Some equine facilities have been closing and / or contracting because of financial difficulties. As the financial viability of equine developments can be precarious any CIL levy could prevent the development being viable at all. Barns, stables and feed stores etc have large footprints so that, if there was a positive CIL levy, the charge on the total square metreage could be quite high. Many equine related developments will	Support noted.

			<p>never be financially viable in the traditional sense and will never produce a positive cash flow. Some are built simply because of a love for horses or through a sporting interest. They are not a business. Other stud farms will be built as businesses with the long term hope of becoming profitable but the reality is that many will never be profitable. The term "equine related development" covers such a wide range of types of horse related development that it would be impossible to introduce a blanket positive charge. Equine developments have such borderline viability that they could not support a positive CIL rate. The Council's proposed £0 rate for equine related development is correct and is justified.</p>	
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Q4. Do you have any other comments to make on the Draft Charging Schedule or the Council's proposed approach to CIL?

Respondent	Rep. ID	Summary of responses	East Cambs officer comments
Anglian Water	1/Gen	I have nothing further to add to my previous comments made 6 January 2012. I would not expect there to be provision for CIL for wastewater infrastructure.	Comments noted.
Bidwells (on behalf of Barratt Eastern Counties)	2/Gen	<p><u>Relationship with S.106</u> - Barratts has major concerns regarding the interrelationship between CIL, scaled down s106 and s278 of the Highways Act (which remains in place and is unaffected). The NPPF requires that local authorities should set CIL rates which are viable, but it is impossible to set a policy that will deal with the application of scaled back s106 and s278 as it applies to individual sites. Consequently, individual applications will be subject to differing views on the ability to withstand additional costs, leading to dispute and delay with the prospect of planning by appeal. The certainty offered as an original benefit of CIL could be undermined and housing delivery affected. We are concerned that the payment of CIL could lead to the potential for double charging unless clear and robust assumptions are made with regard to the s106 site specific requirements to account for the Levy payments. The risk of double counting is particularly high for those strategic schemes.</p> <p><u>Collection of CIL</u> - ECDC does not include any general principles for the apportionment of CIL monies. The recently examined Shropshire CIL included a Code of Practice which set out the general principles to include a ceiling of 10% of monies collected to meet the wider strategic infrastructure projects with the majority balance towards local projects.</p> <p><u>Payments in kind</u> - The DCS does not provide an option to make a payment in kind rather than pay the CIL itself. However, DCLG guidance on CIL 'an overview' states at paragraph 54 that there may be circumstances where it may be more desirable to receive land instead of monies, for example where the most suitable land for infrastructure is within the ownership of the party liable for payment of the levy. There are cases where land will be required to provide infrastructure, and the ability to provide in kind payments would assist viability and deliverability of developments and infrastructure.</p> <p><u>Discretionary CIL relief</u> - We support the Council's offer of discretionary relief. However this offer is only meaningful if the charging rate has been set on a level that was accepted by the development industry to be affordable and viable at the outset. We disagree with the standard charging rate of £90/sqm for residential development in the majority of the District.</p> <p><u>Using CIL monies</u> - The DCS includes a statement that a proportion of levy receipts</p>	<p><u>Relationship with S.106</u> – Section 3 of the Consultation Paper on the Draft Charging Schedule sets out a broad split between CIL and Section 106, which demonstrates how double counting will be avoided. The CIL Infrastructure Study also includes a breakdown of infrastructure projects and their funding sources. However, it is acknowledged that the proposed split could change over time, as infrastructure needs alter. The District Council is required to produce an 'Infrastructure Projects List' (Regulation 123 List) prior to the Charging Schedule taking effect, which will list all the CIL projects to be funded. At the same time the District Council will publish a Supplementary Planning Document on Section 106 agreements, which will make it clear what will be sought by the Council via planning obligations.</p> <p><u>Collection of CIL</u> – As set out in section 3 of the DCS Consultation Paper, information on apportionment and CIL spending will be included in a CIL Funding Strategy, to be produced prior to the charging schedule taking effect.</p> <p><u>Discretionary CIL relief</u> – Comments noted.</p> <p><u>Using CIL monies</u> - As set out in section 3 of the DCS Consultation Paper, information on CIL spending will be included in a CIL Funding Strategy, and Regulation 123 List, to be produced prior to the charging schedule taking effect. The DCS does not include a paragraph 5.8.</p>

	<p>will be retained locally for investment in infrastructure but 'the level of funding has yet to be decided'. We consider this too ambiguous. Paragraph 5.8 is not clear enough on what the CIL will be spent on. Local infrastructure need has to be demonstrated to justify the CIL. This has not been done at paragraph 5.8. The DCS should also include a target amount to give clarity to developers on what level of CIL will be available to deliver the infrastructure that is identified within the Infrastructure Project Lists.</p> <p><u>Affordable housing exemption</u> - We welcome the nil Levy rate for affordable housing, which would be in compliance with the 100% relief in both the 2010 Regulations and the CIL Amendment, 2011. This would help support the prioritisation of affordable housing contributions and delivery in East Cambridgeshire in line with the Council's Core Strategy target of 40% affordable housing to be delivered on qualifying residential development sites. However we do not accept the evidence base of the DSP study which is relied upon to demonstrate the viability testing of major sites and we consider this may still have a major impact upon the delivery of affordable housing. For clarity, the table on page 11 should expressly state 'Affordable Housing (C3) - £0'.</p> <p><u>Return of unspent monies</u> - There is no mechanism that enables CIL payments to be paid back to the developer to recover CIL money if wider infrastructure works have to be provided by a developer at a future date to release units. The impact of this scenario should be properly recognised and discounted from any associated s106 contributions and be expressly stated in the document.</p>	<p><u>Affordable housing exemption</u> – Comments are noted.</p> <p><u>Return of unspent monies</u> - Comments are noted.</p>
Cambridgeshire County Council	<p>3/Gen</p> <p><u>General support</u> - We are pleased to see continued progress with progressing plans for implementing CIL in East Cambridgeshire and look forward to continuing to work with you in this regard. In particular, we will be keen to support you in developing the CIL Funding Strategy and Delivery Plan, and identifying priority projects for CIL funding early.</p> <p><u>Clarity over levels of funding</u> - We would welcome clarity early over levels of funding anticipated and how funds will be transferred to help support delivery of key priorities into the future, e.g. Ely crossing, and other transport and education projects. These two areas have been identified as the largest costs in terms of infrastructure needed to support delivery of the Local Plan. CIL should contribute towards these costs proportionately to support the delivery of the local plan. Table 2 in your Consultation Draft Charging Schedule currently outlines that only some £6m is proposed to be allocated towards transport infrastructure, while some £5.7m is proposed to be allocated towards Open Space against total costs of £6.6m. Comparatively the figure proposed for CIL contributions to transport appears very low. The Ely crossing project alone is likely to cost in the order of £28m which the</p>	<p><u>General support</u> – Comments are noted.</p> <p><u>Clarity over levels of funding + governance</u> – Comments are noted. The District Council will continue to work closely with the County Council in the preparation and development of a CIL Funding Strategy and Regulation 123 list, prior to the Charging Schedule taking effect.</p> <p><u>Administration charge</u> – Comments are noted.</p>

		<p>County Council is borrowing to help deliver as a key local priority to help address this barrier to growth. We would therefore query the current proposed split for how CIL should be allocated.</p> <p><u>Governance</u> - We look forward to also working closely with you on governance of CIL and how we can best support you in this regard, and supporting the regular review of priority projects, ideally on an annual basis into the future.</p> <p><u>Administration charge</u> - The District Council is entitled to apply a charge of up to 5% for administration on all CIL monies collected. However, it is unclear at this stage whether the County Council will receive any of this administration charge in relation to work around transport and infrastructure in support of local priorities and this needs to be clarified. The Council requests that a proportion to be paid to the County Council be agreed.</p>	
Ely City Council	6/Gen	<p>Members requested that ECDC confirm whether they are intending to charge for housing that is classified as social housing, as they were not sure if this is laid down by Government. If it is not, they would request that ECDC include social housing within this charging regime. Housing Associations and other organisations that provide social housing will reflect this in the funding they receive from Government. Social housing is approx 30% of new build and is therefore a large proportion. With regards to affordable housing, which operates on an equity share on a staircase basis, which allows the property to be bought outright this should also be charged</p>	<p>CIL cannot be charged on affordable housing – as set out in the Regulations.</p>
PlanSurv Ltd (on behalf of Grovemere)	14/Gen	<p>1. <u>Floorspace definition</u> - The use of 'gross internal floor space', including circulation and storage space, such as corridors, stairs and lifts is unhelpful. The inclusion of non-productive floor space should be reviewed to ensure that only the net usable internal floor space is subject to CIL contributions, acknowledging the link between the delivery of CIL and the value in use of a building.</p> <p>2. <u>CIL and S.106</u> - While the introduction of CIL as a part replacement of Section 106 planning obligations is welcomed, care must be taken to avoid double counting. Section 106 obligations must be restricted to on-site works and not stretch into areas which ought to be covered by CIL contributions. Paragraph 1.1 should be reworded to reflect this distinction and the Council's commitment to avoid double counting.</p> <p>3. <u>Review of CIL</u> - While the need to fix the CIL rate and the frequency of review is accepted there should be a mechanism in place to allow, under predefined exceptional circumstances, an emergency review of the CIL rates i.e. the country falling into recession, a petition from businesses or Members. Paragraphs 1.2 and 3.21 should therefore set a fixed review period at 2 years with the ability to call an emergency review under certain circumstances to prevent CIL restricting economic</p>	<p>1. <u>Floorspace definition</u> – Comments are noted.</p> <p>2. <u>CIL and S.106</u> - Section 3 of the Consultation Paper on the Draft Charging Schedule sets out a broad split between CIL and Section 106, which demonstrates how double counting will be avoided. The CIL Infrastructure Study also includes a breakdown of infrastructure projects and their funding sources. However, it is acknowledged that the proposed split could change over time, as infrastructure needs alter. The District Council is required to produce an 'Infrastructure Projects List' (Regulation 123 List) prior the Charging Schedule taking effect, which will list all the CIL projects to be funded. At the same time the District Council will publish a Supplementary Planning</p>

		<p>growth. Clarity over the review period of CIL viability should be contained within Table 4.</p> <p>4. <u>‘Meaningful proportion’</u> - There is a need to define what is meant by a ‘meaningful proportion’ as the term is subjective. While it is acknowledged that the Government is due to make an announcement later in the year, clarity is needed.</p> <p>5. <u>Timing of CIL and S.106</u> - While CIL is not levied until the Reserved Matters application, Section 106 planning obligations are effective at the Outline Planning stage, as such a mechanism must be in place to ensure that developments coming forward in phases, under a pre-CIL outline permission, are not charged CIL in respect of contributions already made under the extant Section 106 agreement that would otherwise be covered by CIL e.g. leisure contributions. It must be clear in para 3.13 and 3.15 that during the transition period such double counting will be carefully avoided.</p> <p>6. <u>Spending of CIL</u> – The expenditure of CIL on promotional activities is unacceptable. CIL monies must be spent on the delivery and maintenance of infrastructure in the district and in the vicinity of the development. While it is accepted that the Regulations allow CIL to be used to pay for administrative expenses incurred by the charging authority, it is unacceptable for the District Council to seek any additional contributions to cover costs associated with the collection, implementation and monitoring of CIL. It should be made clear that such costs, including legal fees, will not be charged in addition to the CIL payment calculated, to avoid undoing the careful viability assessments which seek to secure the continued viability of development.</p> <p>7. <u>Regulation 123 list</u> - The Regulation 123 list and the infrastructure projects to be given priority, and how monies will be divided/allocated must be provided as part of the current consultation process as they have been assessed in terms of cost and priority to formulate the draft charging strategy. It is unacceptable for this to lag the current consultation by an undetermined number of months.</p>	<p>Document on Section 106 agreements, which will make it clear what will be sought by the Council via planning obligations.</p> <p>3. <u>Review of CIL</u> – It is intended to review the CIL Charging Schedule once the Local Plan is adopted – and as necessary.</p> <p>4. <u>Meaningful proportion</u> – Clarity needs to be provided by the Government rather than the District Council.</p> <p>5. <u>Timing of CIL and S.106</u> – ‘Double counting’ will be avoided.</p> <p>6. <u>Spending of CIL</u> – Spending an element of CIL on a range of administrative tasks is permitted under the Regulations.</p> <p>7. <u>Regulation 123 list</u> - As set out in section 3 of the DCS Consultation Paper, information on CIL spending will be included in a CIL Funding Strategy, and Regulation 123 List, to be produced prior to the charging schedule taking effect. There is no requirement to produce this at the Draft Charging Schedule consultation stage.</p>
Savills (on behalf of Mantles)	16/Gen	<p>Despite the narrow Regulatory requirements of the Examination, our clients urge the District Council to make clear at an early stage the supporting documentation needed to operate CIL and to make it available for input/comment. Practically, this needs to be done prior to Examination. Whilst this supporting information is not tested at Examination, this information is critical to allow for the successful implementation of CIL. The documentation should include:</p> <ul style="list-style-type: none"> • Guidance on how to calculate the relevant ‘chargeable development’/level of CIL (cross referral to CLG guidance/Planning Portal), including location of the Notice of Chargeable Development Form 	<p>As explained in the Draft Charging Schedule consultation paper, it is intended to produce a CIL Funding Strategy, Regulation 123 list, and CIL Guidance Note prior to the Charging Schedule taking effect. This is reasonable and accords with the Regulations.</p>

		<ul style="list-style-type: none"> • Guidance on liability to pay CIL/Appeals process. • Policy for payments by instalments. • Approach to payments in kind – notably valuation process for ascertaining land value and also the potential to accept land for infrastructure as a payment in kind. • Guidance on relief from CIL and a policy on relief from CIL for exceptional circumstances. • With regard to the relationship with Section 106, the CIL Charging Schedule should be clear that ‘double counting’ of Section 106 contributions and CIL is not permitted by law. The key tests of CIL Regulation 122 should be outlined within the supporting documentation. 	
Smiths Gore (on behalf of the Church Commissioners)	17/Gen	There should be much greater clarity on the split between S106 requirements and CIL-funded infrastructure for strategic sites – the SPD must be published prior to the examination and the viability assessment reconsidered accordingly; The viability assessments should be reconsidered using higher minimum land values, greater residual S106 costs and more realistic infrastructure costs; References to minimum land values should be deleted from the supporting assessments as they appear to be un-evidenced; and The CIL rate proposed will have a detrimental effect on housing delivery unless a significantly different approach to residual S106 requirements is adopted. We have attached our own Viability Appraisal which is largely based on the cost assumptions set out in the Council’s Viability Assessment work. This excludes a number of costs but still results in a land value which is below that which we consider is required to encourage landowners to bring their land forward to the market.	Section 3 of the Consultation Paper on the Draft Charging Schedule sets out a broad split between CIL and Section 106, which demonstrates how double counting will be avoided. The CIL Infrastructure Study also includes a breakdown of infrastructure projects and their funding sources. However, it is acknowledged that the proposed split could change over time, as infrastructure needs alter. The District Council is required to produce an ‘Infrastructure Projects List’ (Regulation 123 List) prior the Charging Schedule taking effect, which will list all the CIL projects to be funded. At the same time the District Council will publish a Supplementary Planning Document on Section 106 agreements, which will make it clear what will be sought by the Council via planning obligations.
Snailwell Parish Council	18/Gen	Just regarding the possibility of funding being offered to smaller local villages/Parish's that might be effected by large developments outside their Parish	Priority projects for CIL spending will be identified in the Regulation 123 list, to be produced later this year.

4. Responses to the Draft Instalments Policy (provided as background information only)

The Council included a Draft Instalment Policy in the CIL consultation paper, and asked for people’s views. The Instalments Policy will not form part of the actual Charging Schedule itself – and will be published separately, prior to the Charging Schedule taking effect. As such, it will not be considered by the Examiner or formally submitted to the Examination. Nevertheless, the responses received are set out below, for information purposes. A draft final Instalments Policy will be reported to a Committee meeting later this year.

Q. Do you agree or disagree with the Council’s Draft Instalments Policy? Please explain your reasons for agreeing or not agreeing, and provide evidence in support of your case if available.

Respondent	Agree or disagree?	Summary of responses
Bidwells (on behalf of Barratt Eastern Counties)	Disagree	Whilst we welcome the draft instalments policy in principle it is not considered that the policy spreads payments sufficiently for larger developments. As the Council rightly acknowledge, the staggering of payments over a longer period can help to mitigate the impact of payments on development viability. In particular it can improve developers cash flow and limit the amount of up-front costs involved in getting developments underway. This is a particular issue where significant up-front infrastructure costs are necessary to bring sites forward. This is most often the case with larger developments. However, the draft instalments policy sets an upper threshold of £100,000 in CIL liability where payments can be spread in 3 instalments over 18 months. This does not adequately address larger residential schemes where CIL liability is likely to be significantly in excess of this threshold and yet developments may take many years to build out. We consider that to expect developers to incur additional capital expenditure at the start of a project would deter developers from investing in the district and place unnecessary burden on an already difficult property market. A key test in the appropriate level of CIL is that the proposed rate should not put at serious risk overall development in an area. It is considered that the Council has not adequately addressed such issues for larger developments and that at least one further category should be inserted into the Instalments Policy to allow for the greater staggering of payments relating to larger residential developments. In such cases, the timing the payments should be linked to development phases and house completions. This could for example allow for 4 instalments over a 3 year period for schemes where the CIL liability is more than £500,000 and 5 instalments over a 5 year period for schemes where the CIL liability is over £1m.
Cambridgeshire County Council	Agree	The County Council supports the Draft Instalments Policy
Cheffins - Paul Sutton	Disagree	The threshold of £100,000 can be equated to around 15 dwellings (average GIA of 100m2), so for large strategic sites where a single phase of development could be 150 dwellings, the CIL payment alone would be in the order of £1,000,000 and this amount would have to be paid in full within 18 months of commencement – regardless of how many houses had actually been completed. Since the Regulations do not allow for phased payments to be linked to completions, the draft Charging Schedule will inevitably penalise larger development projects and adversely affect economic viability through the imposition of higher borrowing costs. Instalment thresholds for CIL payments on large strategic sites should fully reflect the scale and nature of the development proposed, and the likely period over which the development will be built. CIL is a “front ended” tax on development. This will put further pressure on land values and/or significantly impact on the delivery of affordable housing. We suggest that there should be both a wider range of bands where CIL is payable and that the payment periods for each band should be longer

		and more flexible. Alternatively, the instalment policy could be based on the number of dwellings proposed (or floorspace in the case of retail and other development). Huntingdonshire District Council's CIL Instalment Policy is far more flexible with five different band ranges (from below £16,000 to over £500,000), with payment by three instalments for every band but the very lowest. In addition, the instalments become payable over longer periods (up to two years at the highest level). By contrast, Shropshire Council's CIL Instalment Policy is based solely on the number of dwellings proposed and has four bands ranging from a single dwelling to 26+ dwellings, and payment periods are more flexible. Finally, the CIL Instalment Policy should make it clear that where outline planning permission, which permits development to be implemented in phases has been granted, each phase of the development as agreed by the Council will be a separate chargeable development and that the instalment policy will, therefore, apply to each phase.
Individual respondent A	Agree	No comments
Individual respondent C	Agree	No comments
PlanSurv Ltd	Disagree	While the acknowledgement of the need to phase contributions is welcomed, greater emphasis should be put on the importance of cash flow for businesses. The District Council must acknowledge that front loading payments can make it difficult to commence delivery and that often revenues are not achieved until post completion. Greater flexibility is needed to provide the necessary infrastructure while assisting delivery. As such a greater number of smaller payments should be included for all forms of development as follows: Less than £40,000 - 25% payment within 60 days of the commencement date, 50% within 360 days of the commencement date 25% on completion; £40,000 to £100,000 - 25% payment within 60 days of the commencement date, 25% within 360 days of the commencement date, 25% within 540 days of the commencement 25% on completion; More than £100,000 - 10% payment within 60 days of the commencement date, 20% within 360 days of the commencement date, 20% within 540 days of the commencement 20% on completion and 30% within 360 days of completion.
Smiths Gore (on behalf of the Church Commissioners)	Agree	Subject to other comments made on residential development
Snailwell Parish Council	Agree	Snailwell Parish Council agree to the charging but would like consideration to be taken regarding funding being offered to small local villages when and if large developments happen just outside a parish which may have an impact on that village/community.
Taylor Vinters	Disagree	I believe that the first category for instalments needs to lower its threshold to £20,000. An additional category of £20,000-40,000 needs to be added so that 50% is due within 60 days of commencement and then the remainder due 182 days after commencement. I am concerned that the payments need to be spread over a longer time period for the more substantial sums. Cashflow is extremely difficult in the current economic climate with banks refusing to lend to developers it can be hard to manage, therefore if developers have been given time to build and sell a few houses it will help keep things moving forward.
Thomas Eggar (on behalf of Asda)	Disagree	The Council's draft staged payments policy is to be welcomed. But the trend is for large-scale applications to be submitted as full planning applications, as LPAs express a preference for having all the information available when they make a decision. The Council will need to make allowance for this. At present the staged payments will be linked to the period of time from commencement, rather than the phase of development achieved. This means payment could be required before phases have been developed - which could impact adversely on economic viability. Notification of phases could be done through the use of planning conditions or S.106. The Council should reformulate its staged payments policy to ensure developers are not disadvantaged by submitting an application for full, rather than outline planning permission.

Unex Group Holdings Limited	Disagree	Any additional cost can significantly affect the viability of a development. Although introducing an instalments policy is welcome, and will help, the stage payment dates do not relate to when the developer will realise the cash from which to make the payment. To be of genuine assistance, and to help mitigate the effect of this levy, the stage payments need to relate to sales or occupations because that is when the developer will have received money from a sale or letting from which he can make the payments. If the developer has to pay in advance of having sold or let the properties he will have to finance the CIL payment and the cost of the CIL payment will be increased by the finance charges. In a slow property market it may have a bearing on whether or not developers make a start on site if they are going to expose themselves to a CIL liability when there is doubt over securing a sale or a letting.
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