

Community Infrastructure Levy

Report of responses received in accordance with Regulation 17, with officer comment on issues raised.

This document provides an audit of all the comments made in regard of the Regulation 17 of the Community Infrastructure Regulations 2010 (as amended) for the Community Infrastructure Levy for Broadland, Norwich and South Norfolk and provides an officer comment to the issues raised.

The Partnership asked respondents to note which District their comments applied to, however most responses raise issues that apply across the area and so all responses are valid in all areas.

Q1. Do you consider the Council(s) has followed a correct approach in developing the Draft Charging Schedule as required by the Community Infrastructure Levy Regulations 2010 (as amended)?
Yes **No**

I would like my representation to be considered for (please tick all that apply):

Broadland District Council’s Draft Charging Schedule.....

Norwich City Council’s Draft Charging Schedule.....

South Norfolk Council’s Draft Charging Schedule.....

If no:

a. Did you raise this issue at the Preliminary Draft Charging Schedule Consultation Stage?
Yes **No**

b. Please give details of what change(s) you consider are necessary, having regard to the legal requirements for a charging schedule and, if not raised previously, why not. You will need to say why you think this change will make the Draft Charging Schedule legally compliant. It will be very helpful if you could also put forward your suggested revised wording of any text. Please note your comment should briefly cover all the information, evidence and supporting information necessary to support or justify the representation and the suggested change as, after his stage, further submissions will only be possible at the request of the examiner, based on the matters and issues he/she identifies for examination. Please be as precise as possible. Only information that relates to the representation will be accepted.

Respondent id	Respondent Name	Response	Area	Comment	Action
DCS001	Loddon Parish Council	Q1 No a No b 1. Evidence from Grimley – (to establish that their document is flawed in general) Grimley are well known consultants in this field. However, this document falls below the standards I would expect. <ul style="list-style-type: none"> They also act for a numbers of builders, including one with a major local development. This is a conflict of interest, as the Councils need the maximum practicable CIL to fund alterations to the built environment needed to cope with the increased local population from developments, and the interest of developers is to minimise the CIL to increase their profits. My former employers until I retired (a large Actuarial firm) and their competitors would include a substantial statement in such a case about how they handle conflicts. The absence of such a statement (anyway I can't see it in the published documents) has to raise doubts whether the CIL is at the maximum practical level, particularly in the outer zone. Relying on private statistics is not acceptable for a document relating to public sector policies- it is not transparent. They should have relied on public data. Ten years is too long a period for data, due to the changes in the economy. Similarly assuming an improved economy has no current basis for justification. For example, half of houses bought in this period were financed by the interbank market, which is now dead (permanent!), with other forms of financing, not applicable to house buying, having taken its 	SNC	<p>GVA Comment</p> <p>Conflict of Interest We are not aware of a conflict of interest arising as part of this piece of work.</p> <p>Private Statistics The data used for this study is from the Land Registry, a public database.</p>	No change

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		<p>place.</p> <ul style="list-style-type: none"> They admit themselves there is limited sales evidence available. In such circumstances, they should warn their report is statistically flawed. For example, in order to obtain a meaningful normal distribution curve of evidence, over 1,000 relevant observations are needed, which is unlikely in some of the towns they use to draw conclusions. Additionally, the "fat tails" of the top and bottom 5% of observations must be excluded as statistically misleading, and they show no evidence they have done this. They have not looked at evidence from Waveney, so have no idea if they are creating a cheap filling to the sandwich between Norwich and Beccles/ Bungay, which will inevitable result in an over concentration of development, and builders' profits will be higher (county boundaries being irrelevant to housing development.) <p>Conclusion to §1.</p> <p>(i) The report looks quantitatively authoritative, but is not. It is statistically slightly informed guesswork.</p> <p>(ii) It does not stand up to rigorous evidence based analysis</p> <p>2. Grimley's lack of local knowledge, and its effect on analysis of the A146 Norwich travel to work corridor</p> <p>In addition, Grimley do not look as if they have sought local knowledge throughout the geographically large County of Norfolk, looking at their very small list of companies they have consulted.</p> <ul style="list-style-type: none"> They have identified the A11 Corridor, because that is obvious to anyone driving to Norwich along the A11. Their analysis has not been thorough enough to identify other anomalies in the outer zone. They seem to have only examined Diss and Harlesden in South Norfolk, which are both towns with sufficient local employment to be distinct from the Norwich travel to work area. They then seem to have drawn a neat looking line to delineate inner from outer zone, without examining evidence to the East. As a result of this they have failed to identify that the villages along the A 146, as far as Hales, are to a large extent travel to work in Norwich for employment, and retirement, often from more expensive areas in the South, so have higher house prices that the rest of the non A11 outer zone. <p>Conclusion to §2.</p> <p>(i) Specifically, the report fails to identify the Norwich travel to work area of the A146 villages, which should, like the A11 corridor, be in the inner zone, with a higher charge.</p> <p>(ii) As a conclusion to the above, the villages of Thurton, Loddon, and Hales should be included in the inner zone.</p> <p>3. Changes to SNC CIL Draft Charging Schedule.</p> <p>Charging Schedule Residential Zone A. Nothing has happened to the economic scenario since £130/£135? was originally proposed. Whilst developers will be delighted the charge has been reduced, it is not in the interest of either SNDC of the Parish Councils. The key drivers to development will be availability of finance for both builders and prospective house buyers.</p> <p><i>The Charge for zone A should be £130, not reduced to £115.</i></p>		<p>Limited Sales Evidence</p> <p>We acknowledge that there is limited sales evidence, as there is across much of the country given recent economic circumstances. We have used the most comprehensive evidence base available, broken down to house type in order to try and accurately reflect the housing market. We have not just relied on sales evidence but also on the view of local estate agents and developers to determine values across the GNDP area.</p> <p>We would emphasise that CIL advice from CLG is to undertake a high level viability study of the proposed Charging Area in an attempt to seek a balance between collecting CIL monies whilst not harming development. We have not therefore looked at sites individually as this would effectively become a site specific viability negotiation. Development will still be subject to National and Local planning tests as set out in national policy and local planning documents.</p> <p>Consultation</p> <p>GVA held a number of stakeholder workshops and in addition consulted with over 27 companies individually. As set out previously GVA spoke extensively to local agents who identified, for example, the A11 corridor as a development value area. The agents we consulted did not identify the A146 as a separate market value corridor.</p> <p>We have used the detailed Land Registry figures and our Geographical Information Systems team to map value areas across the GNDP area (we have not omitted the 'East' of the GNDP area).</p> <p>Officer response</p> <p>The data used for evidence relates to viability and is available for purchase from the Land Registry. The data must reflect private sector market conditions as it relates to economic viability.</p> <p>Latest research published by Savills in December 2011 indicates signs of recovery in the Norwich housing market and forecasts price growth over the next 5 years. http://pdf.euro.savills.co.uk/uk/landp-b2b/spotlight-on-norwich-residential-development-sales-2011-12.pdf</p> <p>CIL will not be payable until the implementation of developments, first permitted after the adoption of the Charging Schedules. Market conditions at that time will be key to viability.</p>	

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		<p>As §10.1, to restate your own principle: "it will be important to ensure that the level of CIL should be maximised." This should apply from the start.</p> <p>§11.2 The Charging Schedule, as I have shown has not been informed well by local evidence in general- flawed statistical techniques and insufficient recent data as I have shown- and it has not been informed at all about the A146 Norwich travel to work area.</p> <p><i>This paragraph is not needed, and should be excluded.</i></p> <p>§ Maps Map 2 and Map 5 should be amended to put Thurton, Loddon, Chedgrave, and Hales in the higher charging area. The symetricality of the map demonstrates local factors, such as travel times to Norwich and fast bus services have not been taken into account. As the A11 corridor, an A146 corridor should be shown.</p>		<p>The Local Plan will determine the amount of development that is appropriate for settlements. CIL will not dictate the amount of development that is appropriate.</p> <p>The evidence we can rely on is limited to actual transactions.</p> <p>The stakeholder consultation did include input from a range of business and consultancies across the whole GNDP area.</p> <p>The two zones are related to viability across the area and there are variations within the zones. The representation does not produce any evidence to suggest there is a major difference in viability.</p> <p>The published rates have been derived from the evidence base and from representations made during the consultation for the preliminary charging schedule. This reduction takes account of viability in the current market conditions. The Councils have committed themselves to an early review of the CIL charging schedule that will allow the Levy to reflect any changes in market conditions.</p>	
DCS002	Hainford Parish Council	<p>Q1</p> <p>a</p> <p>b The parish council are concerned about the principle and application of this levy. This is a tax levied on all households whether or not the development is for profit and there is no indication it will benefit the community taxed.</p>	Broadland	<p><u>Officer comment</u></p> <p>CIL is levied on those undertaking development above a certain threshold. Most householder developments are likely to fall below the 100 sqm threshold and therefore not be liable for CIL. The provision of infrastructure generally will benefit the wider community, whilst a proportion (minimum to be fixed nationally) will be passed to local communities where there is an accountable representative body.</p>	No change
DCS007	Breckland Council	<p>Q1: Yes</p> <p>a Yes</p> <p>b Charging Schedule</p> <p>Breckland Council made representations on the GNDP's preliminary draft Charging Schedule at the previous consultation stage in November 2011. The Council raised a number of concerns at this time relating to the rate of charge in the charging zones of South Norfolk and Broadland Council's administrative areas which adjoin the boundary with Breckland District. The settlements of Wymondham and Attleborough are identified in respective Core Strategies for major growth (2,000 and 4,000 new homes respectively) and CIL revenues from this growth will clearly form a key funding source for the infrastructure needed to underpin the growth plans.</p> <p>Breckland Council welcomes the reduction in the CIL charge for residential development in Zone A (insofar as it extends to Wymondham which borders Attleborough) from the previous iteration of your Charging Schedule. Breckland Council's initial assessment of potential CIL in this area indicates that a figure of around £100 per sqm could be achieved, which taking into account variances in land values and affordable housing contributions, is broadly comparable.</p> <p>However, the Council does consider it surprising that some seemingly high value areas are still included in</p>	Broadland/South Norfolk	<p><u>Officer comment</u></p> <p>It is noted that Breckland District Council does not consider that the rate in zone B is unsound and that the council have welcomed to the adjustments to zone A..</p> <p>The authorities will monitor the implementation of CIL, as required by regulation; viability information developed by other Norfolk Districts will be used to inform this process.</p> <p>The two zones are related to viability across the area and there are variations within the zones. The representation does not produce any evidence to suggest there is a major difference in viability.</p> <p>Values in the rural area are patchy and we have been mindful of government advice to avoid undue</p>	No change

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		<p>Zone B, which attracts a lower residential CIL charge. The Council has previously drawn your attention to this issue at the last consultation stage. This is due to the potential for locations such as Reepham, Hingham and Foulsham which, like some higher value villages in the east of Breckland, could potentially support a slightly higher rate of CIL (even taking into account Breckland Council's higher affordable housing rate at 40%).</p> <p>The supporting information below is expressed as average sales values per square metre and taken from the 'Hometrack' system, with data 'live' as at November 2011. The tables illustrate the point that sales values in the GNDP's Zone B areas adjoining the border could be considered broadly comparable to rates for places such as Wymondham (particularly Town, Northfields Abbey and Rustens Wards) which are part of Zone A.</p> <p>Hingham & Deopham</p> <table border="1"> <thead> <tr> <th></th> <th>New property average</th> <th>New Build Premium</th> <th>All sales - £/m2</th> <th>Terrace sales - £/m2</th> <th>Semi sales - £/m2</th> <th>Detached sales - £/m2</th> <th>Flat sales - £/m2</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>N/A</td> <td>N/A</td> <td>£1,851 (65)</td> <td>£1,560 (1)</td> <td>£1,897 (22)</td> <td>£1,832 (36)</td> <td>£1,916 (3)</td> </tr> <tr> <td>2008</td> <td>£216,125 (8)</td> <td>-4% (8)</td> <td>£1,754 (39)</td> <td>N/A</td> <td>£1,837 (15)</td> <td>£1,681 (23)</td> <td>N/A</td> </tr> <tr> <td>2009</td> <td>£169,779 (16)</td> <td>-25% (16)</td> <td>£2,016 (49)</td> <td>£1,741 (10)</td> <td>£1,831 (20)</td> <td>£2,209 (18)</td> <td>N/A</td> </tr> <tr> <td>2010</td> <td>£147,000 (2)</td> <td>-37% (2)</td> <td>£1,830 (46)</td> <td>£1,159 (5)</td> <td>£1,760 (10)</td> <td>£1,969 (25)</td> <td>N/A</td> </tr> <tr> <td>2011</td> <td>£140,000 (1)</td> <td>-34% (1)</td> <td>£1,689 (41)</td> <td>£1,537 (4)</td> <td>£1,679 (14)</td> <td>£1,824 (21)</td> <td>£1,224 (1)</td> </tr> </tbody> </table> <p>Eynesford*</p> <table border="1"> <thead> <tr> <th></th> <th>New property average</th> <th>New Build Premium</th> <th>All sales - 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1785 Wymondham town --1722 Reepham – 1710 Hingham and Deopham –1689 Wymondham Rustens -- 1666 Eynesford - 1589</p> <p>And so while the differences are not great, all of the Wymondham wards with one exception have sales of values above all of the rural wards. It is difficult to refine this to new property sales because of limited numbers, and the lack of data per square meter for new properties in the submitted tables.</p> <p>The large number of negative new build premiums are not a like for like comparison.</p>	
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		2011	£195,833 (3)	-15% (3)	£1,710 (37)	£1,646 (5)	£1,491 (9)	£1,796 (23)	N/A			
Wymondham – Rustens												
			New property average	New Build Premium	All sales – £/m2	Terrace sales - £/m2	Semi sales - £/m2	Detached sales - £/m2	Flat sales - £/m2			
		2007	£219,296 (27)	4% (27)	£1,887 (99)	£1,924 (13)	£1,834 (27)	£1,795 (42)	£2,058 (17)			
		2008	£183,605 (20)	1% (20)	£1,908 (51)	£1,734 (12)	£2,177 (19)	£2,157 (12)	£2,035 (8)			
		2009	£185,447 (49)	11% (49)	£1,493 (75)	£1,457 (31)	£1,555 (22)	£1,458 (20)	£1,639 (2)			
		2010	£202,027 (37)	-7% (37)	£1,721 (62)	£1,321 (15)	£2,100 (21)	£1,633 (23)	£1,718 (3)			
		2011	£252,600 (5)	56% (5)	£1,666 (41)	£1,648 (9)	£1,674 (18)	£1,667 (13)	N/A			
Wymondham – Northfields												
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		2007	N/A	N/A	£2,044 (53)	£1,965 (11)	£1,727 (17)	£2,294 (20)	£2,611 (3)			
		2008	N/A	N/A	£2,006 (39)	£2,529 (10)	£1,724 (12)	£1,901 (1)	£2,073 (1)			
		2009	N/A	N/A	£1,715 (34)	£1,638 (7)	£1,532 (8)	£1,888 (15)	N/A			
		2010	N/A	N/A	£1,688 (33)	£1,608 (6)	£1,504 (13)	£1,856 (11)	N/A			
		2011	N/A	N/A	£1,785 (33)	£1,767 (9)	£1,800 (10)	£1,790 (13)	N/A			
Wymondham – Abbey												
			New property average	New Build Premium	All sales – £/m2	Terrace sales - £/m2	Semi sales - £/m2	Detached sales - £/m2	Flat sales - £/m2			
		2007	£135,000 (1)	-28% (1)	£2,085 (74)	£1,982 (26)	£2,312 (20)	£2,032 (32)	£1,291 (13)			
		2008	N/A	N/A	£1,651 (50)	£1,768 (11)	£1,429 (15)	£1,729 (19)	N/A			
		2009	N/A	N/A	£1,665 (47)	£1,696 (14)	£1,557 (15)	£1,965 (11)	£2,041 (2)			
		2010	£300,000 (1)	47% (1)	£1,852 (52)	£1,811 (11)	£1,697 (17)	£2,395 (16)	£1,337 (2)			
		2011	N/A	N/A	£1,997 (32)	£1,852 (9)	£2,643 (2)	£1,741 (16)	N/A			
Wymondham – Town												
			New property average	New Build Premium	All sales – £/m2	Terrace sales - £/m2	Semi sales - £/m2	Detached sales - £/m2	Flat sales - £/m2			
		2007	£249,950 (1)	16% (1)	£1,942 (80)	£1,707 (6)	£2,021 (27)	£1,936 (42)	£2,117 (2)			

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DCS008	Stratton Strawless PC	<p>Q1 No</p> <p>a</p> <p>b The parish council would refer you to their comments submitted on the 21st November 2011 and want to reiterate their comments that they are concerned that this is just further taxation on homeowners.</p>	Broadland	<p>Officer comment</p> <p>CIL is levied on those undertaking development above a certain threshold. Most householder developments are likely to fall below the 100 sqm threshold and therefore not be liable for CIL. The provision of infrastructure generally will benefit the wider community, whilst a proportion (minimum to</p>	No change																																																																																

Respondent id	Respondent Name	Response	Area	Comment	Action
				be fixed nationally) will be passed to local communities where there is an accountable representative body	
DCS014	Hethersett Land Ltd	<p>Q1 No (all districts)</p> <p>a Yes</p> <p>b Summary</p> <p>Hethersett Land Ltd note the reduction in the residential CIL rate (Zone A – Inner) from £165 sqm as proposed in the draft Charging Schedule (Oct-Nov 2011) to £115 sqm (Feb 2012).</p> <p>Representation were submitted (in the name of Ptarmigan Land Ltd) in respect of the draft charging schedule in Nov 2011 concerning the robustness of the data and assumptions that supported the draft schedule, in particular the GVA study (2011) which suggested a residential CIL rate of £170 sqm., would be viable in the inner area/A11 corridor. This conclusion was contested.</p> <p>Although the reduction in the CIL rate to £115 sqm for residential development in the inner area (Zone A) is movement in the right direction, not all of the original concerns over the evidence base are dispelled by this change and there remains a concern that the GNDP has failed to provide sufficient and robust evidence that the CIL rate of £115 sqm., would not result in development schemes across Zone A being rendered unviable.</p> <p>The reduction appears to have been applied as a result of a discounting process applied to the original GVA figure (£170 sqm) to take account of:</p> <ol style="list-style-type: none"> 1) combining central, A11 and inner areas; 2) reduced land values and expected S106 costs; and 3) to allow the incorporation of garages within the figure. <p>The GNDP still appear to be relying on the original GVA (2011) report (and addendum) with some additional work (Supplementary Evidence on Residential Viability (GNDP, Dec, 2011) to underpin the current reduced rate and to attempt to demonstrate viability.</p> <p>Hethersett Land Ltd suggests that the original GVA figure to which the discounting process is applied is not based on robust evidence (see below). Hethersett Land Ltd therefore suggests that the starting point for the discounting is wrong.</p> <p>Furthermore, it appears that the only justification underpinning the reduced residential rate of £115 sqm (in Zone A), is in the application of scenario 1 (GNDP cost assumptions based on HCA advice) as set out in the CIL Supplementary Evidence report (GNDP, Dec 2011). Hethersett Land Ltd has a number of concerns over the robustness of this supplementary evidence work (see below).</p> <p>Additionally, the GNDP's contingency mechanism for dealing with inaccuracies in its evidence, which appears to be that if the developers are proved right and for instance, build costs are higher, then the amount of affordable housing can be reduced, is fraught with political difficulties. Nowhere in the evidence is it explained what level of affordable housing reduction would be deemed reasonable by Council's if the development industry's opinions on costs are proved correct. This is a considerable shortcoming in the evidence. The GNDP need to make the public and Local Council Members aware of the potential reduction in affordable housing provision in the area if some of its assumptions underpinning the CIL are as we and others in the development industry suggest proved incorrect. The Councils also need to specify what reduced level of affordable housing would still be deemed acceptable in the event of the assumptions being incorrect.</p> <p>Hethersett Land Ltd therefore considers that:</p> <ol style="list-style-type: none"> 1. The draft CIL schedule is not supported by background documents containing appropriate and robust assumptions and evidence; 2. The proposed rates are not properly informed by and consistent with evidence on economic viability across the Greater Norwich Area; and 	All	<p><u>GVA comment</u></p> <p>GVA would note that the reduction in CIL level was also part of an exercise based on the advice of CLG not to set a CIL charge at the "maximum" level of viability, rather to leave a "viability gap" or ceiling).</p> <p><u>Officer comment</u></p> <p>This representation repeats comments made earlier in the process and does not provide further evidence. The GNDP notes that in Hethersett Land's response to the Regulation 15 Preliminary Draft Charging Schedule consultation (in the name of Ptarmigan Land Ltd) a rate of approx £100 sqm was suggested. The GVA evidence is robust and is supplemented by additional evidence. We have used many of the assumptions provided to us by a local developer in refining our understanding of viability</p> <p>There is not, and can not be, a pre-determined acceptable reduced level of affordable housing. Acceptable variation from the policy target will depend on evidence and circumstances and will vary on a site by site basis</p>	No change

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>3. There is insufficient evidence currently provided that demonstrates the proposed rates would not put at serious risk the overall development of the Greater Norwich Area (particularly the Inner Area (Zone A)).</p> <p>Detailed Comments on Background Documents and the Evidence Base</p> <p>Representations were submitted (in the name of Ptarmigan Land Ltd) on the draft CIL Charging Schedule in Nov 2011. The representations concerned the robustness of the data and assumptions that supported the draft schedule, in particular the GVA study (2011). Although some of the concerns have been addressed, a number of the original concerns on these matters still stand and have yet to be adequately addressed. Further concerns are also raised in respect of the supplementary work that purports to provide evidence of viability.</p> <p>Outstanding Concerns with GVA assumptions on land values</p> <p>The GVA Study's assumption on the values of land in the A11 are still questioned. Development land values of £210,000 - £250,000 per acre (865,000-£1,500,00 per ha.) have been used in the viability assessment for land within the A11 corridor.</p> <p>This is contrary however to the advice that GVA received from local agents whom suggest values are more in the region of £350,000 - £600,000 per acre (with the A11 corridor achieving similar values to the city-centre).</p> <p>The original GVA assessments do not adequately explain why the appraisals have used values for the A11 corridor which are over 50% less than the advice received from local agents, particularly as the document stresses that if land values are reduced by 25% a development becomes unviable.</p> <p>GVA subsequently issued an addendum on the document to try and clarify this inconsistency. However all GVA have done is to suggest previous extracts of text were incorrect and have replaced them with new wording (which does not distinguish the higher development land values of the A11).</p> <p>Bearing in mind the emphasis the document had previously placed on the higher sales values achievable in the A11 corridor (which in turn could justify a higher CIL) it does not seem logical to say that land values would also not be higher. Indeed the suggested change in text could be interpreted as a way to manipulate the facts to fit their original conclusions.</p> <p>It should also be noted that GVA's Addendum contradicts itself by saying on page 2 that the land values used in their report are for land with planning permission while on page 3 they say the land values represent existing use values with an element of "hope value" on anticipation of planning permission. The difference in potential values for each of these descriptions is huge which further brings into question the accuracy of the document.</p> <p>Outstanding Concerns with GVA assumptions on densities and developable land</p> <p>The viability assessment for Scheme 5 in the A11 corridor uses a benchmark land value of £13m. Assuming GVA's land value of £0.21m - £0.25m per acre is correct this would equate to this scheme having approximately 57 Net Developable Acres. Bearing in mind Scheme 5 is supposed to represent a development of 1,000 houses this would mean the development density of such a scheme would be 17.5 dwellings per acre.</p> <p>This is a high development density and does not reflect the character of most schemes in Norfolk (outside of the city centre) which is less than 15 dwellings per acre. If a density of 15 dpa was applied to Scheme 5 it would mean the development would have 67 Net Developable Acres. If applied to GVA's suggested land values this would mean the benchmark land value should actually be £15.4m not £13m as suggested.</p> <p>If this land value had been used in the viability assessments then there would be many more scenarios which would show the CIL charges being unviable or marginal.</p> <p>Concerns with the Supplementary Evidence on residential Viability, Dec 2011</p> <p>It appears that the only justification underpinning the reduced residential rate of £115 sqm. (in Zone</p>		<p><u>GVA comment</u></p> <p>The advice which GVA received from local agents (including Bidwells and Savills) set out that land values in Central Norwich could be up to £600,000 per acre, and land values outside of the City Centre up to £250,000. We have set out previously in the Errata to our Report (dated 22nd June 2011) the results of Agents discussions which resulted in us using the following land values:</p> <p>Central Area: £500,000 per acre Inner Area: £210 - £250,000 per acre A11 Corridor: £210 - £250,000 per acre Outer Area: £200,000 per acre</p> <p>We would also note that the figures for the Central, Inner and A11 corridor areas are above employment land (by more than 20% in some cases), thus satisfying a benchmarking approach which has since been accepted as an appropriate methodology during the Examination of the London Mayoral CIL (EUV plus a percentage – in this case 20%). In the Outer Value Area the values we have used are significantly above agricultural land values.</p> <p>Outstanding Concerns with GVA assumptions on Densities and Developable land</p> <p>Densities are based on GVA evidence of strategic sites being developed across the country at the densities used in our viability study. These schemes have been worked up in discussion with local planning authorities in line with planning policies for example regarding Neighbourhood Centres and residential density requirements.</p>	

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>A), is in the application of scenario 1 (GNDP cost assumptions based on HCA advice) upon a 250 dwelling greenfield site (Scheme 1). Hethersett Land Ltd have a number of concerns over this evidence:</p> <p>Concerns over Sample size</p> <p>The evidence considers only a very small sample of schemes. It does not look at schemes larger than 250 dwellings. It is not a representative sample of the schemes likely to come forward in Zone A. A number of schemes in Zone A will be well above 250 homes and will more than likely attract larger section 106 and infrastructure/abnormal costs.</p> <p>Concerns over Benchmark values</p> <p>The evidence uses viable benchmark values (in the A11 and inner Area) of £520, 000 - £620, 000 per ha. (£210k - 250k per acre) with marginally viably values of £390,000 to £496,000 per ha. (£157k acre - £188k per acre) i.e. 25% less than the benchmark figure.</p> <p>These figures equate to the 'revised' figures in the GVA addendum. The difference between what was originally stated in the GVA report, as being current market values based on evidence from local agents and sales evidence i.e. £865,000-£1,500,000 per ha. (£350k – £600k per acre) and the revised figure of £620, 000 - £1.5m per ha. (£250k-£600 per acre) has been put down to a typographical error.</p> <p>However, no evidence is presented that that demonstrates the local agents view that the correct figure is at the lower end suggested. The GNDP needs to provide factual evidence on land values that supports the assertions made in the GVA report (as amended).</p> <p>Concerns over Scheme 1 (250 dwellings) modelling assumptions:</p> <p>Development ratio</p> <p>The assumed gross/net ratio of 83.51% is not representative of the sites that will come forward in Zone A. This does not reflect a greenfield site at all and is instead reflects a Norwich city centre density. To suggest in para 4.3 of the report that the scheme is low density and could be potentially increased further is misleading to readers, particularly in the light of the JCS and local plan policy requirements for open space and green space. The higher gross/net figure artificially skews the model and results in more schemes would be viable that would be the case. The GNDP should apply a gross/net ratio that reflects the type of greenfield site likely to come forward in Zone A (approx. 65%).</p> <p>Average House size</p> <p>The evidence assumes an average house size of 97.31m². This is in line with what most house-builders would say represents a typical size of an open-market dwelling in the local area (as advised at the Developer CIL Forum).</p> <p>However the way the examples work mean that once the affordable housing units are deducted it means the average size of the open-market units actually works out to be 113m² (18,809m²/167nr). An average dwelling size of this scale is not typical for the local area and artificially inflates the overall numbers.</p> <p>Affordable Housing Sales</p> <p>The affordable housing sales figure work out to be £77,000 per house. Hethersett Land Ltd has received advice that at the policy tenure requirement of 85% socially rented /15% intermediate this figure is actually £65,000 per house. There is no evidence provided that demonstrates the affordable housing figures can be achieved.</p> <p>Affordable Housing costs</p> <p>The examples assume the Affordable Housing will be Code Level 3. This is incorrect. Affordable houses are already Code Level 4 and set to increase to Level 5 shortly. Similarly many of the open-market houses would need to be built at Code Level 4.</p>		<p>Officer comment Land values in the A11 corridor to reflect sales values and we have not proposed a different charging zone</p> <p>The choice of scheme size is reasonable as:</p> <ul style="list-style-type: none"> • The evidence supplements GVAs • Developments c850 dwellings and above would generally have a smaller CIL liability than under the current S106 regime. • There is scope in the residual land value to fund additional costs, and there may be scope for efficiencies of scale. • Reserved matters applications, and hence CIL liabilities, for large schemes are expected to be phased to this broad scale. <p>The scheme is based on a real greenfield development in the Norwich fringes that actually has a higher provision of green-space than would normally be required. Density is low at 26.6 dwellings per hectare.</p> <p>The scheme is based on a real Greenfield development and the dwelling sizes and values are as supplied.</p> <p>Affordable rent tenure will increase the value of properties above social rented tenure in most circumstances.</p> <p>20% of costs is reasonable, has been discussed in conversations with Registered Providers, and confirmed in representation DCS035 (Morston Assets). 20% of costs is also considered reasonable for a generic analysis by the Examiner</p>	

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		<p>Developer Profit</p> <p>Developer's Profit has been calculated as 20% of Cost when it should be 20% of the GDV of the open-market units and 6% of the affordable housing units. Using the example given this would equate to £7.8m not the £5.4m being shown.</p> <p>Finance Costs</p> <p>Finance costs of 7% have been included for the build cost of the scheme but it appears that finance costs to buy the land are not accounted for. Developers are unlikely to buy land with 100% equity, and a financing cost needs to be included. Also, the model does not take account of increases in finance costs when bank lending rates inevitably increase.</p> <p>Reduced Affordable Housing</p> <p>For the scenarios where affordable housing is reduced, it has been reduced to 18%. This is less than the previous base level of 20%. There is no evidence/statement provided that demonstrates that the Council's will accept 18% affordable housing as a reasonable figure to include in planning applications.</p> <p>House Price Rises</p> <p>The report refers to the Savills forecast which suggests that that houses in the Eastern Region is predicted to grow by 14% in the next 5 years. However, the scenarios do not take account of inflation over the period. In other parts of the Savills forecast article, it was noted that inflation over the period would have the effect of wiping out the impact of the 14% increase in house prices.</p> <p>Build Cost Price Rises</p> <p>Build costs will increase as higher building regulations standards come into force. Increase in commodity prices, labour costs will also add to build costs. This is not taken into account in the model assumptions.</p> <p>Report's Conclusions</p> <p>Given the shortcomings in the assumptions, the supplementary evidence report's conclusion that the "...proposed CIL charges will result in the full requirement for affordable housing and a viable land value in most cases, particularly where reasonable assumptions are made on costs.", is not credible, especially since the development industry has consistently raised issues on the GNDPs/ GVA's assumptions on land values and costs etc. Tellingly, using the assumptions on costs provided by the development industry, the report conceded that even marginal land values cannot be achieved.</p> <p>CIL Background and Context Paper</p> <p>The suggestion in the CIL Background and Context paper (GNDDP, March 2012) (para 7.9) that recent s106 negotiations help justify the GVA study needs further explanation.</p> <p>For instance, no evidence is put forward concerning:</p> <ul style="list-style-type: none"> • where the schemes were • How many schemes were considered • what type of development were they • what was the developable acreage; • whether they have they been built; • what level of affordable housing was provided. • Whether the section 106's are in the process of being renegotiated. <p>Until more information is known and placed in the public domain, this 'justification' cannot be considered admissible.</p>		<p>who undertook the Examination in Public for Wandsworth Borough Council and Huntingdonshire District Councils Draft Charging Schedules.</p> <p>Where this is an issue developers will need to work with landowners to develop shared risk finance models.</p> <p>GVA advice was based on values which would enable a minimum of 20% to be delivered in all broad locations</p> <p>CIL will not be payable until implementation of developments first permitted after adoption of the Charging Schedules. It is market conditions at that time which will be key to viability.</p> <p>8 schemes of various types across the urban and fringe areas were reviewed.</p>	

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		<p>Overall conclusions</p> <p>Hethersett Land Ltd considers that:</p> <ol style="list-style-type: none"> 1. The draft CIL schedule is not supported by background documents containing appropriate and robust assumptions and evidence; 2. The proposed rates are not properly informed by and consistent with evidence on economic viability across the Greater Norwich Area; and 3. There is insufficient evidence currently provided that demonstrates the proposed rates would not put at serious risk the overall development of the Greater Norwich Area (particularly the Inner Area (Zone A)). <p>Suggested Changes:</p> <p>The current evidence base is still questioned and does not currently demonstrate scheme viability at the rates proposed. Until it does so, the CIL rates cannot be considered to be based on robust and credible evidence and should not be approved.</p> <p>The GNDP needs to put forward further robust and convincing evidence that the proposed CIL rate for residential development in the Inner Area (Zone A) results in viable schemes.</p> <p>The GNDP needs to re-run its testing scenarios with correct assumptions (see above). If the re-runs cannot justify the proposed CIL rate, then it needs to be reduced to a level that does demonstrate development viability across Zone A.</p> <p>The GNDP also needs to issue a statement/provide evidence confirming that where there are issues of viability caused by CIL, that Councils will accept a reduced affordable housing figure, and state what the figure can reasonably be reduced to and still receive Council support.</p>		<p>GVA comment</p> <p>The CIL Viability Report is based on evidence provided by the Land Registry and supplemented by evidence from the local development community (and at least 2 stakeholder events).</p> <p>Hethersett Land has not offered any evidence to back up its assumptions. As noted in our report GVA has undertaken a very large number of calculations in order to draw conclusions, the results of which were subject to discussion at a Stakeholder event and with GNDP.</p>	
DCS015	Thurton PC	<p>Q1 No</p> <p>a Yes</p> <p>b GNDP officer comment in response to Thurton Parish Council's response to Question 3 (refers to CIL Booklet) recognises that "values are quite variable throughout the area and there are parts of the outer zone with high values" Thurton Parish Council believes that it has provided substantial evidence to demonstrate that Thurton and Ashby should be included in Zone A, through 2 and 3 bedroom price comparisons. The Council believes that this data is also robust in terms of the square meter size of developments, which we now understand was used as the basis for comparison</p>	SNC	<p>Officer comment</p> <p>The Charging zones are based on overall values with variations within. An excessive number of zones would make the application of CIL impractical and does not represent good practice.</p>	No change
DCS016	Blofield PC	<p>Q1 Yes</p> <p>a No</p> <p>b A greater proportion of the CIL levy should go to the Parish Council and they should have a greater say on how the CIL money is spent.</p>	Broadland	<p>Officer comment</p> <p>In late 2011, the Government consulted on detailed changes to the CIL regulations to take account of the Localism Act. This consultation process indicated that a minimum amount to be passed to local communities was likely to be established nationally. It may well be open to individual charging authorities to pass on a higher proportion. This position was reflected in the draft charging schedules.</p>	No change

Respondent id	Respondent Name	Response	Area	Comment	Action				
DCS018	UEA	<p>Q1: Yes A: B:</p> <p>The University of East Anglia (UEA) supports the Charging Schedule as it relates to institutional and related uses (D1).</p> <p>It also supports the Charging Schedule as it relates to C2 uses <u>on the condition</u> that it is accepted by the GNDP/Councils that dedicated student accommodation/university residences developed by or on behalf of the University (and related to the University) whether on or off campus are a C2 use (Town & Country Planning (Use Classes) Order) and would attract a zero charge.</p> <p>Suggested (non material) Change:</p> <p>In the interest of clarity and certainty, the Charging Schedule (paragraph 4) needs to have a non-material change, to clarify that student accommodation developed by /for the University is subject to the zero charge:</p> <table border="1" data-bbox="572 688 1614 835"> <tr> <td>Uses falling under C2, C2A and D1</td> <td>£0</td> </tr> <tr> <td><u>Dedicated student accommodation developed by/for the university (on and off campus).</u> Fire and Rescue Stations, Ambulance Stations and Police Stations which are Sui Generis</td> <td></td> </tr> </table> <p>If this is not accepted, then UEA object to the Charging Schedule on the basis that dedicated student accommodation and university residences (as described above) developed by or on behalf of the University should attract a zero charge.</p> <p>UEA accepts that student accommodation provided by private landlords should be treated as normal residential development (Use Class C3 and C4).</p> <p>Also, given the important role the University and its partners in the Norwich Research Park (NRP) have in supporting growth in the Greater Norwich Area, the expectation is that CIL receipts will be used to help support the infrastructure needed to enable the NRP, including the University to grow and flourish.</p> <p>The University notes the acknowledgement in the Infrastructure Framework that important transport and public transport infrastructure at the NRP and UEA is considered 'Priority 1' infrastructure. The University expects that CIL will be used to fund (part fund) these Priority 1 items. Other improvements such as sports facilities used by the wider public (including Sport Park) should also be in receipt of funds in order to meet the additional sport/leisure demands brought about by the area's growth.</p>	Uses falling under C2, C2A and D1	£0	<u>Dedicated student accommodation developed by/for the university (on and off campus).</u> Fire and Rescue Stations, Ambulance Stations and Police Stations which are Sui Generis		Norwich and South Norfolk	<p>Officer comment</p> <p>Student accommodation for over 6 people is classed as C1 and would be subject to the minimum charging rate of £5 per sqm.</p> <p>It is not possible to guarantee that CIL payments for a specific development would be used for infrastructure related to that development. The local authorities recognise their responsibility to provide infrastructure required to serve development in a timely manner. The current consultation is not dealing with expenditure of CIL revenue.</p>	Clarify as part of Background Paper – add use classes link to glossary.
Uses falling under C2, C2A and D1	£0								
<u>Dedicated student accommodation developed by/for the university (on and off campus).</u> Fire and Rescue Stations, Ambulance Stations and Police Stations which are Sui Generis									
DCS020	Timewell Properties	<p>1 No</p> <p>a</p> <p>b Timewell Properties Ltd has concerns over the impact the proposed CIL charge of £115 sqm. could have on small to medium scale residential development proposals within Zone A (Norwich and its immediate surrounds, including Little Melton).</p> <p>This represents a charge of £10,200 for an average sized house (89 sqm.), additional to the s106 cost needed to mitigate the direct impact of the development for such things as access and open space etc. This is more than would normally be anticipated to be charged through the previous section 106 planning obligations regime for most small to medium scale developments.</p> <p>Given the depressed state of house prices at the moment and the foreseeable future, and the expectation that material costs, finance costs etc. will be increasing, this charge has a significant impact on land values and therefore the viability of schemes.</p> <p>Timewell Properties Ltd are not convinced that the GNDP can properly demonstrate with the information it has, that the proposed CIL rate would not put at serious risk the viability of development proposals across the Greater Norwich Area (particularly the Inner Area (Zone A)).</p> <p>Timewell Properties Ltd is aware of the problems that have been raised by the development</p>	South Norfolk	<p>GVA Response</p> <p>The development industry was extensively consulted during the Viability Study (which can be provided to the Examiner as necessary). Agents consulted include Bidwells, Savills, William H Brown, Haart, Lovells and Abbots Countrywide.</p> <p>In addition to agency consultation GVA used comprehensive data on house prices across the GNDP area as provided by the Land Registry.</p> <p>Our viability appraisals show that the proposed CIL can be supported at an affordable housing target of at least 20%. We have not been provided with viability evidence which demonstrates otherwise.</p>	No change				

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>industry on the evidence used by GNDP to support the CIL figure, particularly the original GVA report and its assumptions on values and costs etc. Timewell Properties Ltd is not convinced that any of the recent work undertaken by the GNDP has adequately addressed the concerns.</p> <p>The current evidence base is still questioned and in light of this, Timewell Properties Ltd considers that the GNDP cannot robustly demonstrate residential scheme viability across Zone A at the rate proposed.</p> <p>Until it does so, the CIL rates cannot be considered to be based on robust and credible evidence and should not be approved.</p> <p>The GNDP needs to put forward further robust and convincing evidence that the proposed CIL rate for residential development in the Inner Area (Zone A) results in viable schemes.</p> <p>The GNDP needs to re-run its testing scenarios with correct assumptions as suggested by others in the development industry. If the re-runs cannot justify the proposed CIL rate, then it needs to be reduced to a level that does demonstrate development viability across Zone A.</p> <p>The GNDP also needs to issue a statement/provide evidence confirming that where there are issues of viability caused by CIL, that Councils will accept a reduced affordable housing figure, and state what the figure can reasonably be reduced to and still receive Council support.</p>		<p>Officer response</p> <p>8 schemes of various types across the urban and fringe areas were reviewed.</p> <p>Many smaller developments will continue to make no significant S106 contributions. Taking account of all the evidence and the uncertain timing of the housing recovery the potential inner area CIL has been reduced by 20% to account for S106 obligations and ongoing market conditions. It is also worth noting that moving to a single inner area rate, from the three proposed in the report 'Viability Advice for a CIL/ Tariff for Broadland, Norwich and South Norfolk' (GVA, 2010), already represents a significant additional reduction for much of the area. A further adjustment has been made to allow for the inclusion of garages within the residential rate.</p>	
DCS021	Building Partnerships	<p>Q1</p> <p>a Yes</p> <p>b <i>We did not make a formal representation to the previous CIL consultation stages preferring to make our comments informally.</i></p> <p><i>We generally support the proposal to create a CIL for the Norwich Area as a method that can simplify delivery of development. There are, however, a number of issues that are critical to the successful application of the CIL that need to be reviewed:-</i></p> <ol style="list-style-type: none"> 1) <i>The GNDP need to provide certainty for developers that the demarcation between CIL and S106 will not change. As far as possible all costs should be transferred to CIL with the exception of Affordable Housing (AH). A list of issues covered by S106 should include all state schools and the Councils should commit to no alteration of the split once CIL is implemented.</i> 2) <i>All developments will need certainty that once CIL is paid the infrastructure relating to the development will be delivered when it is required. We would suggest that guidelines and a programme of delivery are consulted on with developers that can then be implemented on every planning permission granted.</i> 3) <i>We note that there are 2 charging zones for residential development and a single zone for commercial. We consider that this is the correct approach. Facilities are provided in Norwich, as the regional capital, that are used or are for the benefit of the entire hinterland and a 2 zone approach reflect the fact that the further from Norwich the less the impact.</i> 4) <i>There has been universal discontent from developers at the Charging levels proposed. The viability assessment is based on assumptions that are viewed as being too optimistic. There should be a review of the level of CIL over a longer period than proposed, possibly within each of the first 5 years from the date of adoption of CIL, to consider and agree with developers, what interim measures need to be put in place to ensure that the level of CIL does not restrict development. This will require the ability to review the level of CIL, if considered appropriate, to stimulate development so that it is relevant to market conditions at any relevant time.</i> 5) <i>The level of CIL should take account of accepted practice in the development industry. There should be a review of sites where the impact of Guaranteed Minimum Price levels historically agreed means that development is halted due to the level of CIL.</i> 6) <i>We consider that the payment time frames should be over a 5 year period rather than 2 years as currently proposed and increased proportionately for smaller sites.</i> 	ALL	<p>Officer comment</p> <ol style="list-style-type: none"> 1) The demarcation between CIL and section 106 must be set out in a list produced under regulation 123 of the CIL regulations 2010 as amended (in the definition of "relevant infrastructure") it is made clear in paragraph 15 of the CIL Guidance on Charge Setting and Charging Schedule Procedures that priorities may change and the regulation 123 list may change from time to time. The intention by publishing an indicative list now (it is not a requirement) is to provide as much certainty as possible for developers. 2) The principle of CIL is to enable flexibility. The CIL revenue from a development is not ring fenced for infrastructure relating to that development. Nonetheless it is clear that for development to be acceptable, the infrastructure critical to that development must be provided in a timely way. 3) Noted – the different approach to charging zones is a consequence of the viability assessment. 4) The criticisms over the proposed CIL charge are dealt with elsewhere in response to other representations. An early review would be appropriate, but the interim measures referred to in the representation can only be achieved through discretionary relief once the charging schedules are adopted. A charging authority can offer exceptional relief only if it has made a statement that such relief will be offered in its area. However, regulation 56 provides for this to be done at any time, and so it is not necessary to 	No change

Respondent id	Respondent Name	Response	Area	Comment	Action
		7) <i>We support the level of CIL proposed for commercial properties as being at a realistic level.</i>		<p>incorporate any such commitment into the charging schedules, The process of reviewing the level of CIL is the same as for the initial adoption.</p> <p><u>GVA comment</u></p> <p>5) The viability analysis takes account of the current development market. It does not take account of individual agreements between landowners and developers (such as Option Agreements) on individual sites as part of a high level study. GVA understands that taking account of historical land prices and development agreements for individual sites (for which we have no details) whilst undertaking CIL viability analysis is against CLG advice, particularly when taking into account the changes in the market which have occurred over the last 5-10 years. We would also wish it to be noted that the approach we have adopted has already been found to be sound at a number of CIL Examinations.</p> <p><u>Officer comments</u></p> <p>6) It is important to note that the staging policy is indicative and it does not form part of the charging schedule. It is strictly beyond of the remit of the examination, but included in order to indicate the intended approach of the charging authorities. A two year period has been proposed as a compromise between assisting viability and ensuring the funds necessary to provide infrastructure are received in a timely way. Compared with the preliminary draft charging schedules, the proportion payable at different stages has been tapered to assist viability. Newark and Sherwood have a maximum period of 540 days. In the case of larger developments where reserved matters are phased, each reserved matter will become a separate chargeable development. The phasing policy has to be based on value of development and cannot be tied to individual land uses. Some commercial development of high value could be completed in a short time frame.</p> <p>7) Noted</p>	
DCS024	William Morrison	<p>Q1 No a Yes b We wish to reiterate our previous comments.</p> <p>In particular we object to:</p>	All	<p><u>Officer comment</u></p> <p>The higher rate for larger scale convenience goods stores is justified by GVA in their evidence. The</p>	No change

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>The significantly lower CIL rate for retail developments below 2,000 sqm compared to those above that threshold. This will unreasonably favour smaller scale retail developments over larger which goes beyond viability concerns and conflicts with national guidance. Having two rates for new retail of different sizes is not reasonable or properly justified. A single rate for new retail development over 100 sq. m should be used instead.</p> <p>The proposed CIL rate of £135 per sqm for new retail developments over 2000 sqm is very high, and for a large foodstore (of around 7,400sq.m) will result in a CIL charge of around £1m which is excessive. A levy of this level is likely to render future large scale retail developments unviable, particularly when taking into account other costs for local infrastructure works and other contributions required as part of typical S106 Agreements (e.g. highways works)</p> <p>It is therefore recommended that one CIL rate should be set for all retail development over 100sq.m and that the charging level should be amended, and full justification for the new figure should be given to ensure that all relevant factors have been taken into consideration.</p>		<p>threshold of 2000 sq m has been further justified through additional evidence produced as part of the current consultation. This is justified on the basis of sales figures for larger format stores. GVA evidence suggests a much higher rate of CIL could be viable. Most retail in Greater Norwich will be liable for the lower rate of CIL. No further evidence has been provided as part of this representation to justify a different rate. The majority of infrastructure will be funded in future through CIL rather than s.106.</p> <p>GVA's appraisals indicated more than enough land value to support any residual S106</p>	
DCS025	McCarthy and Stone	<p>Q1 No a Yes b As the market leader in the provision of sheltered housing for sale to the elderly, McCarthy and Stone Retirement Lifestyles Ltd considers that with its extensive experience in providing development of this nature, it is well placed to provide informed comments on the Greater Norwich Draft CIL Charging Schedule insofar as it affects or relates to housing for the elderly.</p> <p>In our previous representation (Representation CIL072) we stated that the proposed Charging Schedule would effectively prejudice the development of specialist accommodation for the elderly in Greater Norwich. Given that the need for this type of housing is acknowledged in the LDF's evidence base, we find the Council's limited response to our representation to be extremely disappointing.</p> <p>As such, we would like to reiterate the concerns cited in our previous representation in light of the Council's response and the revised Draft Charging Schedule.</p> <p>CIL Charging Zones</p> <p>We reiterate our concern that the CIL Residential Charging Zones as proposed by the Greater Norwich Development Partnership remains unsuitable and prejudices the redevelopment of previously developed land in the area.</p> <p>By charging a higher CIL levy rate for urban areas, including most of Norwich City and its surrounding hinterland, the Council is in effect subsidising the development of greenfield rural land over previously developed urban areas. This approach is based solely on a viability report by GVA Grimley, which makes assumptions on viability based on land values across Greater Norwich.</p> <p>We would assert however that land values alone are not by themselves the sole means for determining CIL levy rates. Issues such as the sustainability of a site should be considered by the Council. At present the proposed CIL regime contradicts National Planning Policy Guidance within PPS3: Housing which priorities the re-use of previously developed land over green field land with Paragraph 40 stating "a key objective is that Local Planning Authorities should continue to make effective use of land by re-using land that has been previously development". It would therefore not be unreasonable for Council's to set lower CIL rates in areas in which they wish to encourage development, for example more sustainable urban locations.</p> <p>A precedent for this has been set in the adopted Shropshire CIL Charging schedule which, sensibly, sets a lower rate for the principle urban area of Shrewsbury and the other key market towns. The rationale being, not only to focus development in these areas, but also because urban areas have more established infrastructure which is easier and less costly to supplement than the provision of entirely new facilities in greenfield locations.</p>	All	<p>Officer comment</p> <p>Charging rates have been developed solely on viability grounds entirely in accordance with the CIL regulations. Sustainability issues and other policy matters are not able to be used to determine appropriate rates for CIL. Charging rates cannot be based on costs of infrastructure provision. It is also important to ensure that the application of CIL does not breach state aid legislation.</p> <p>It is recognised that build costs of sheltered housing accommodation may be slightly higher than traditional housing. However the additional costs can be recovered through the higher sales values that these properties achieve and the management charges that are levied.</p>	No change

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>We would argue that just because the Council has evidence that supports the provision of higher CIL rates in urban area, that this is the most important course of action. The purpose of CIL should not be solely to extract the highest rate of monies from developers, particularly at a time when economic growth is stagnant, and should work in conjunction with wider national and local planning objectives.</p> <p>Communal Areas</p> <p>In our previous representation we proposed a CIL rate limited to the net saleable area for specialist accommodation for the elderly.</p> <p>Many forms of specialist housing accommodation, such as retirement housing and extra care accommodation for the elderly provide communal areas for residents at an additional cost to developers. Specialist housing providers also have additional financial requirements as opposed to other forms of development that will only pay on 100% saleable floor space. This does not provide a level playing field for these types of specialist accommodation and means that a disproportionate charge in relation to saleable area and infrastructure need is levied.</p> <p>The Council's response was <i>"that the issue of communal areas is no different in specialist housing accommodation, such as retirement living from other flatted developments. The management and upkeep of communal areas should be reflected in management charges and sales prices"</i>.</p> <p>This response shows a fundamental misunderstanding of the role of communal areas in specialist accommodation for the elderly on the part of the Council.</p> <p>Firstly, in comparison to open market flats the communal areas in specialist accommodation for the elderly are considerably larger in size, fulfil a more important function and are accordingly built to a higher specification than those provided by open market flatted developments. Typically, the average McCarthy and Stone scheme provides communal areas that account for an average of 30% of a development's total. In open market flatted apartments the level of communal space would be significantly less than this.</p> <p>Secondly, not only do these communal areas cost additional monies to construct, they also are also effectively subsidised by the developer until a development has been completely sold out.</p> <p>For example in a McCarthy and Stone development the staff costs and extensive communal facilities are paid for by residents via a monthly management / service charge. However, due to the nature of these developments the communal facilities are fully built and operational from the arrival of the first occupant. Therefore to keep the service charge at an affordable level for residents, service charge monies that would be provided from empty properties are subsidised by the Company. This is a considerable financial responsibility as it usually takes a number of years to fully sell a development.</p> <p>It is therefore clearly evident that the communal facilities provided by specialist accommodation for the elderly and the associated empty property costs differ considerably from any open market flatted development.</p> <p>It is for the above reason that we suggest that CIL is solely applied to saleable areas for specialist accommodation for the elderly.</p> <p>Given the costs associated in acquiring appropriate locations for specialist housing for the elderly and the additional costs associated with the construction and initial maintenance of the requisite communal facilities, it is clear that the financial viability of such developments is more finely</p>			

Respondent id	Respondent Name	Response	Area	Comment	Action
		balanced than that of open market housing. A prohibitive CIL levy could therefore effectively prohibit the development of specialist accommodation for the elderly at a time when there is an existing and urgent need.			
DCS026	Barratt Eastern Counties	<p>Q1 No A Yes b This response has been produced by Bidwells on behalf of Barratt Eastern Counties who have various property and development interests in the District. These representations are intended to assist the Council in finalising their CIL Charging Schedule and associated policies for the implementation of the proposed CIL such that a clear, robust and equitable approach is adopted by the Council in securing CIL Payments in relation to future planning applications.</p> <p>Summary</p> <p>Barratt Eastern Counties note that the residential CIL rate (Zone A – Inner) has been reduced from £165 sqm as proposed in the draft Charging Schedule (Oct-Nov 2011) to £115 sqm (Feb 2012). However, although the reduction in the CIL rate to £115 sqm is a move in the right direction, Barratts still retain a number of concerns about the robustness of the assumptions and data that support the draft schedule.</p> <p>The GNDP still appear to be relying on the GVA Study 2011 (and addendum) with some additional work (Supplementary Evidence on Residential Viability (GNDP Dec 2011) to underpin the current reduced rate and to attempt to demonstrate viability. The GVA Study (2011) suggested that a CIL rate of £170 sqm would be viable in the inner area/A11 corridor which is clearly not the case. The reduction to £115 sqm appears to be as a result of a discounting process applied to the £170sqm figure. Barratt Eastern Counties suggest that this is the wrong approach as the starting point figure of £170sqm is inappropriate and not based upon robust evidence.</p> <p>In addition, Barratt Eastern Counties has a number of concerns regarding the supplementary evidence report (GNDP Dec 2011) that has been undertaken to support the reduction and these are detailed below. They are also concerned about the GNDP's contingency mechanism for dealing with inaccuracies in its evidence. This appears to suggest that if the development industry is proved right and for instance, build costs are higher than expected, then affordable housing provision can be reduced accordingly. However, there is no explanation given in the evidence regarding the level of affordable housing reduction that the Council's would consider reasonable. This is a considerable shortcoming in the evidence.</p> <p>Detailed Comments on Background Documents and the Evidence Base</p> <p>The robustness of the data and assumptions that supported the draft schedule, in particular the GVA study (2011) are questioned and further concerns are raised in respect of the supplementary work that purports to provide evidence of viability.</p> <p>Concerns Regarding GVA Study and Supplementary Evidence</p> <p>The GVA Study's assumption on the values of land in the A11 corridor and on densities are questioned. Barratt Eastern Counties have the following issues to raise:</p> <ol style="list-style-type: none"> 1. Why have development land values of £210,000 - £250,000 per acre (865,000-£1,500,00 per ha.) been used in the viability assessment for land within the A11 corridor when these figures are contrary to the advice that GVA received from local agents who suggested figures in the region of £350,000 - £600,000 per acre (with the A11 corridor achieving similar values to the city-centre) would be more appropriate? 2. Why does the GVA's Addendum state on page 2 that the land values used in their report are for land with planning permission while on page 3 it specifies that the land values represent existing use values with an element of "hope value" on anticipation of planning permission? The difference in potential values for each of these descriptions is significant and brings into question the accuracy of the whole document. 3. Why does the viability assessment for scheme 5 in the A11 corridor not reflect the lower 	South Norfolk	<p>GVA comment</p> <p>GVA has detailed its evidence sources within these Representations and within this report, including evidence on sales values provided by Bidwells (which can be provided to the Examiner as required).</p> <p>We have seen no evidence from Barratt Eastern Counties or Bidwells to suggest that the evidence used in the GVA study is "inappropriate and not based upon robust evidence". As set out previously we have used consultation with local agents (including Bidwells) as well as the Land Registry to come to a view of sales values, and recognised RICS sources such as BCIS and CLG documentation on Code for Sustainable Homes to come to a view on costs.</p> <p>We note that no evidence is provided in support of the suggestion that CIL rate of £170 sq m is unviable for the majority of new development at a minimum of 20% in the Inner Area / A11 Corridor.</p> <p>GVA comment</p> <p>1. The advice which GVA received from local agents (including Bidwells and Savills) set out that land values in Central Norwich could be up to £600,000 per acre, and land values outside of the City Centre up to £250,000. We have set out previously in the Errata to our Report (dated 22nd June 2011) the results of agent discussions which resulted in us using the following land values:</p> <p>Central Area: £500,000 per acre Inner Area: £210 - £250,000 per acre A11 Corridor: £210 - £250,000 per acre Outer Area: £200,000 per acre</p>	No change

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>density development character of most schemes in Norfolk (outside the city centre)? Scheme 5 uses a benchmark land value of £13m. Assuming GVA's land value of £0.21m - £0.25m per acre is correct this would equate to this scheme having approximately 57 Net Developable Acres. Scheme 5 is supposed to represent a development of 1,000 houses equating to a development density of 17.5 dwellings per acre. It is considered that a more appropriate density figure outside the city centre would be 15 dwellings per acre. If this figure was applied to Scheme 5 it would mean the development would have 67 Net Developable Acres. If applied to GVA's suggested land values this would mean the benchmark land value should actually be £15.4m not £13m as suggested. If this land value had been used in the viability assessments then there would be many more scenarios which would show the CIL charges being unviable or marginal.</p> <p>4. Why does the Supplementary Evidence on residential Viability, Dec 2011 not look at schemes larger than 250 units? This size of site is not considered to be representative of the large scale sites that a likely to come forward in zone A and which are more likely to attract large infrastructure costs.</p> <p>5. Why is a gross/net development ratio of 83.51% used in the Scheme 1 (250 dwellings) modelling assumption? This is considered to be completely unrealistic and more akin to a Norwich City Centre density than a greenfield site. Paragraph 4.3 of the report suggests that the scheme is low density and could be potentially increased further which is considered extremely unlikely.</p> <p>6. Why are average open market house sizes of 113m2 used when this dwelling size is not typical for the area and artificially inflates overall numbers? The evidence assumes an average house size of 97.31m2 which is in line with what most house-builders would say represents a typical size of an open-market dwelling in the local area (as advised at the Developer CIL Forum). However the way the examples work mean that once the affordable housing units are deducted average size of the open-market units works out to be 113m2 (18,809m2/167nr).</p> <p>7. Why is no evidence provided to demonstrate that the assumed affordable housing sales figure of £77,000 per dwelling can be achieved?</p> <p>8. Why does the example assume Affordable Housing at Code Level 3 when they must already be built to code level 4?</p> <p>9. Why is Developer's Profit calculated as only 20% of Cost? It should be calculated as 25% of the GDV of the open-market units and 6% of the affordable housing units. 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 DV in the current economic climate. There should be reasonable assumptions regarding developers Profit on GDV given the capital outlay and timescales associated with the implementation of larger sites.</p> <p>10. Why are Finance Costs for land purchase not included? Developers are unlikely to buy land with 100% equity, and a financing cost needs to be included.</p> <p>11. Why is no statement provided that for scenarios where affordable housing is reduced, the Councils will accept 18% affordable housing provision as reasonable? For the scenarios where affordable housing has been reduced, the reduction is to 18% which is less than the previous base level of 20%. However, there is no evidence provided that would give developers the certainty that Councils will be willing to accept 18% affordable provision. This is a serious shortcoming.</p> <p>12. Why does the report refer to the Savills forecast which suggests that house prices in the Eastern Region are predicted to grow by 14% in the next 5 years but the scenarios do not take account of inflation over the period? In other parts of the Savills forecast article, it was noted that inflation over the period would have the effect of wiping out the impact of the 14% increase in house prices.</p>		<p>2. We note in our Addendum that the figures for the Central, Inner and A11 corridor areas are above employment land (by more than 20% in some cases), thus satisfying an benchmarking approach which has since been accepted as an appropriate methodology during the Examination of the London Mayoral CIL (EUV plus a percentage – in this case 20%). In the Outer Value Area the values we have used are significantly above agricultural land values.</p> <p>3. Densities are based on GVA evidence of strategic sites being developed across the country at the density reflect in our viability study and higher. These schemes have been worked up in discussion with local planning authorities in line with planning policies regarding Neighbourhood Centres and density requirements.</p> <p>Officer comment</p> <p>4. The choice of scheme size is reasonable as:</p> <ul style="list-style-type: none"> • The evidence supplements GVAs • Developments c850 dwellings and above would generally have a smaller CIL liability than under the current S106 regime. • There is scope in the residual land value to fund additional costs, and there may be scope for efficiencies of scale. • Reserved matters applications, and hence CIL liabilities, for large schemes are expected to be phased to this broad scale. <p>5. The scheme is based on a real greenfield development in the Norwich fringes that actually has a higher provision of green-space than would normally be required. Density is low at 26.6 dwellings per hectare.</p> <p>6. The scheme is based on a real Greenfield development and the dwelling sizes are as supplied.</p> <p>7. Figures provided by developer. Affordable Rent model suggests that this value can be exceeded</p> <p>8. Figures provided by developer. "Code for Sustainable Homes: Updated Costs Assumptions": CLG: 2011 Table 2 indicates additional costs for moving from CSH3 to CSH4 are generally around £50.m2. This adds just over 1% to total scheme costs of £22m</p> <p>9. 20% of costs is reasonable in conversations with Registered Providers, and is confirmed in</p>	

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>Report Conclusions</p> <p>Barratt Eastern Counties do not consider that the report's conclusion that the "...proposed CIL charges will result in the full requirement for affordable housing and a viable land value in most cases, particularly where reasonable assumptions are made on costs.", is credible. The development industry has consistently raised issues on the GNDPs/ GVA's assumptions on land values and costs and there are a number of serious shortcomings to the report as highlighted above. Tellingly, using the assumptions on costs provided by the development industry, the report concedes that even marginal land values cannot be achieved.</p> <p>Other comments</p> <p>CIL Background and Context Paper</p> <p>The CIL Background and Context paper (GNDP, March 2012) (para 7.9) suggests that recent s106 negotiations help justify the GVA study. This requires further explanation.</p> <p>For instance, no evidence is put forward concerning:</p> <ul style="list-style-type: none"> • where the schemes were situated • How many schemes were looked at • what type of development were they • whether they have they been built out; • what level of affordable housing was provided. • What the developable acreage was; • Whether the section 106's are in the process of being renegotiated. <p>Until more information is known and placed in the public domain, this 'justification' cannot be considered admissible. Barratts' have major concerns regarding the interrelationship between CIL, scaled down s106 and s278 of the Highways Act (which remains in place and is unaffected). There is concern that the payment of CIL could lead to the potential for double charging given the Council's intended approach unless clear and robust assumptions are made with regard to the s106 site specific requirements to account for the Levy payments. The provision of s106 infrastructure needs to be clear and transparent to ensure that no double counting occurs.</p> <p>Using CIL Monies</p> <p>The proposed Infrastructure Framework at appendix 7 of the Joint Core Strategy sets out how CIL might be spent and provides some estimated costs. Charge Setting and Charging Schedule Procedures guidance produced by the Department for Communities and Local Government, states at paragraph 15 that the role of evidence supporting CIL is not to provide absolute upfront assurances as to how authorities intend to spend CIL, it does clarify that local infrastructure need has to be demonstrated to justify the CIL. The Infrastructure Framework does provide some information regarding how CIL might be spent, estimated costs and refers to background evidence papers to justify this. Clearly, this will need to be subject to regular review to ensure that the items are relevant and appropriately costed. The charging schedule 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 with the Infrastructure Framework.</p> <p>Suggested Changes</p> <ol style="list-style-type: none"> 1. Further convincing evidence must be provided by the GNDP to demonstrate that the CIL rates will result in viable schemes. The current evidence base does not currently demonstrate scheme viability at the rates proposed. Until it does so, the CIL rates cannot be considered to be based on robust and credible evidence and should not be approved. 2. The GNDP should re-run its testing scenarios with correct assumptions as we have highlighted above. If the re-runs cannot justify the proposed CIL rate, then it must be reduced 		<p>representation DCS035 (Morston Assets). 20% of costs is also considered reasonable for a generic analysis by the Examiner who undertook the Examination in Public for Wandsworth Borough Council and Huntingdonshire District Councils Draft Charging Schedules.</p> <p>10. Where this is an issue developers will need to work with landowners to develop shared risk finance models.</p> <p>8 schemes of various types across the urban and fringe areas were reviewed.</p> <p>Relationship between CIL and S106 is covered by the Regulations.</p> <p>Officer comment</p> <p>Spending of CIL will be determined through the LIPP process and more detailed investment plans looking ahead approx 5 years. It is unnecessary to attempt to apportion CIL to individual items in the Infrastructure Framework or include it in the Charging Schedule.</p> <p>1. Not accepted. The existing evidence is sufficient.</p> <p>2. Not accepted. The assumptions used are justified</p>	

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>to a level that does demonstrate development viability across Zone A.</p> <p>3. The GNDP should also confirm in a written statement that where there are issues of viability, caused by CIL that Council's will accept a reduced affordable housing figure, and state what the figure can reasonably be reduced to and still receive Councils support.</p> <p>In setting appropriate CIL rates it is vital that the Council fully reflect the development viability issues being faced in the current market as a result of the ongoing economic difficulties. A more conservative and realistic approach must be adopted in setting CIL rates at this current point in time. Setting CIL Rates at an unduly onerous level will only serve to discourage and prohibit development coming forward at a point when the Government is seeking to secure growth as part of the UK's economic recovery. In prohibiting growth, the CIL would make it more difficult for the Council to meet their objectives set out within their Community Strategy, Core Strategy and settlement masterplans in relation to the delivery of homes, jobs and associated infrastructure.</p> <p>I request that Bidwells, Cambridge be notified at the address above of any of the following:</p> <p>i. That the Draft Charging Schedule has been submitted to the Examiner in accordance with Section 212 of the Planning Act 2008</p> <p>ii. The publication of the recommendations of the Examiner and the reasons for those recommendations</p> <p>iii. The approval of the Charging Schedule by the Charging Authority</p> <p>I trust the above is clear and that the duly made representation will be considered as part of the review of the proposed CIL charging schedule.</p>		<p>3. Not accepted. The policy requirement is set out in the JCS. Any reduction will be on a case by case basis based on robust viability evidence. There is not, and cannot be, a pre-determined acceptable reduced level of affordable housing. Acceptable variation from the policy target will depend on evidence and circumstances and will vary on a site by site basis.</p> <p>Not accepted.</p> <p>Noted</p>	
DCS028	Norfolk Chamber	<p>Q1 No</p> <p>a</p> <p>b The Norfolk Chamber of Commerce supports the principle of CIL, and suggests that if set properly can be a strong tool in securing and co-ordinating the funding of infrastructure to support and encourage growth. However, the converse is also true. If the CIL rate is set to high for certain types of development in certain areas, then it could have the opposite affect and act as a throttle on growth.</p> <p>The Chamber is broadly content with the CIL rates for, institutional uses (C2, C2A and D1, including emergency services buildings) – nil charge, and the 'other types of development covered by CIL regulations - £5 sqm.</p> <p>With regard to the proposed £25 sqm charge for small shops, many of the Chambers members are concerned that in the current economic conditions, they will find it difficult to take on these costs in marginal trading units.</p> <p>The Chamber of Commerce has concerns over the impact the proposed CIL charge of £115 sqm. could have on the prospects for residential development proposals within Zone A (Norwich and its immediate surrounds).</p> <p>Residential development is a key driver of growth nationally, not just locally. Most of Greater Norwich's growth will be in Norwich and surrounding settlements (Zone A) and therefore subject to the £115 sqm. charge. This represents a charge of £10,200 for an average sized house (89 sqm.), added to this will be additional costs such as access costs, open space etc. In itself, residential development brings immediate jobs through construction but also secondary jobs that support the surrounding local economy. In addition, we need to ensure that the right houses are built in the most appropriate locations to encourage/stimulate local growth.</p> <p>Given the state of housing market at the moment and the foreseeable future, and the expectation that material costs, finance costs etc. will be increasing, this charge could have a significant impact on the viability of residential schemes.</p> <p>The Chamber is yet to be convinced that the GNDP can adequately demonstrate that the proposed CIL rate would not put at serious risk the viability of development proposals across the Greater</p>	All	<p>Officer comment</p> <p>The £25 per sq m charge for small shops only applies to new floorspace. Costs will not be borne in existing units so chamber members will not be required to cover these costs unless they are building new /extending retail units. GVA evidence supports this rate. No new evidence has been provided to suggest that the rates are not viable. GVA evidence supports the two differential charging zones for residential development. GVA prepared evidence to support the viable rate of CIL which has been augmented by further local research.</p>	No change

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		<p>Norwich Area (particularly the Inner Area (Zone A)).</p> <p>The Chamber has been made aware of the concerns raised by the development industry about the evidence used to support the CIL figure.. It appears that the current evidence base is still being questioned by the development industry and the recent evidence published by GNDP does not appear to address all of the concerns.</p> <p>The Chamber is therefore concerned that the GNDP cannot at the moment robustly demonstrate residential scheme viability particularly across Zone A at the rate proposed (£115 sqm.). Until it is able to do so, the CIL rate in Zone A cannot be considered to be based on robust and credible evidence.</p> <p>The GNDP needs to put forward further robust and convincing evidence that the proposed CIL rate for residential development in the Inner Area (Zone A) results in viable schemes. This means re-running and testing viability using the credible assumptions suggested by the development industry.</p> <p>If the re-testing, based on the development industry's figures cannot demonstrate viability across Zone A at the current proposed rate (£115), which appears likely, then it needs to be reduced to a level that does demonstrate development viability across Zone A.</p> <p>To conclude, the Chamber remains committed to encouraging growth to occur within the Greater Norwich area. Whilst endorsing CIL as a principle, they remain concerned that the currently proposed charging levels are set at an unrealistic level. Until either the current rates can be justified to the satisfaction of the development industry, or the CIL is reduced to an affordable development that helps stimulate growth rather than stifle it, the Chamber cannot support the draft charging schedule, particularly as it relates to residential development in Zone A.</p>			
DCS030	United Business and Leisure	<p>Q1</p> <p>A</p>	All		
		<p>b</p> <p>The CIL rate is dependent upon demonstration of an infrastructure funding GAP and its extent.</p> <p>As a result of the High Court ruling on Wednesday 28th February there is considerable doubt about where development is to take place in the NPA. Appendix 6 of the JCS sets out the trajectory for development which is now superseded by the delays likely to result from the High Court ruling. The current position is that the infrastructure costs associated with the entire new sites allocation in the NPA part of Broadland is unknown as the location of development remains and is likely to remain unknown for a period of 18 to 30 months or so. The Broadland NPA new sites provision represents in excess of 40% of the NPA new site housing provision in the NPA contributing to CIL which could impact upon CIL income considerably and in a form that could prevent infrastructure being provided across the entire NPA, introducing uncertainty. In such an event sites where permission is granted may not be able to proceed.</p> <p>There is conflict between Appendix 7 of the JCS, the LIPP Plan V4.1 February 2012 and the Schedule set out in:</p> <p>Community Infrastructure Levy: Background and Context</p> <p>Draft Charging Schedules for Broadland, Norwich and South Norfolk</p> <p>Publication</p> <p>6 February - 5 March 2012</p> <p>The differences have not been explained in a reasoned form.</p> <p>The level of uncertainty and reliability on establishing where development is to take place could render the CIL Schedules lawfully non-compliant as the evidence on infrastructure need and hence Funding Gap cannot be determined with reasonable certainty until the location and scale of growth</p>		<p>Officer comment</p> <p>The GNDP has received the Judgment and the Order from the Courts. The Partnership has received legal advice and can proceed with the process. Once submitted, the timetable for the CIL Examination is entirely in hands of the Planning Inspectorate.</p> <p>The alleged differences between the JCS, LIPP and schedule set out in the Background and Context Document are not spelled out, but telephone conversations with the representor indicate this may be about funding sources for particular transport schemes. Appendix 1 of the Background and Context document sets out an indicative regulation 123 list. This is however indicative and as explained in the response to DCS 021, the regulations around CIL specifically allow for variation of the demarcation between CIL and section 106 funding. The list of infrastructure in the JCS appendix 7 is quite clear, in the introductory text, that it is not intended to be an exhaustive or precise list and that detailed management will be undertaken through the LIPP and the content, phasing and priorities of</p>	No change

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		is set. In addition the forecast completions contained in Appendix 6 in the JCS are likely to fall well short of that stated which can affect cash flow and in turn affect delivery of the wider infrastructure necessary to allow development to proceed.		<p>the list will vary accordingly. The heading in the infrastructure tables in the LIPP also makes clear that the tables are high level and the information is indicative and likely to vary in the light of future market, economic and policy changes.</p> <p>It is noted that the recession has affected the assumed trajectory. This illustrates the points made above that investment programmes need to be flexible to take account of changing circumstances. However while the difficult market conditions prevailing are to be regretted, a reduced rate of development, and correspondingly reduced CIL income will also in many instances be offset by delays in the need for specific items of infrastructure.</p>	
DCS032	Easton Land Owners Consortium Norfolk Homes Ltd Endurance Estates Ltd	<p>Joint Core Strategy</p> <p>In line with the Regulations, GNDP have, to date, based their intention to introduce CIL on an up to date development plan, i.e. the Joint Core Strategy (JCS), which all three authorities adopted in early 2022. However the subsequent challenge to this decision to adopt and the recent High Court ruling means, we believe, that the housing strategy for Broadland District Council will have to be reconsidered. Whilst it is possible that Norwich City Council and South Norfolk Council could argue that their housing strategy is unaffected by the ruling, it is unlikely that changes to Broadland Council's strategy could be effected without the need to re-examine the whole GNDP area. The reviewed JCS will have to be re-submitted to the Secretary of State before it can be adopted. The consequence of the ruling is therefore that the JCS is no longer adopted policy in terms of housing numbers and the CIL consultation is no longer based on an up to date development plan. Further, the challenge arose from opposition to the proposed housing numbers in the North East Growth Triangle, predicated on the delivery of the Northern Distributor Road, key infrastructure to be part funded by CIL. As this area is now to be reassessed, surely CIL must be delayed as a result?</p> <p>In the event that GNDP believe they can keep CIL on track, we have responded to the Draft Charging Schedule.</p> <p>CIL Regulations and Guidance</p> <p>In setting the rate of CIL, Regulation 14(1) of the 2010 Community Infrastructure Levy, England and Wales Regulations (No. 948) states "that an appropriate balance" needs to be struck between "a) the desirability of funding from CIL (in whole or in part)" against "b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development". The term 'taken as a whole' implies that it may be acceptable for some schemes to be rendered unviable by the level of CIL charge; however, there is a clear requirement to ensure that most developments are able to proceed. The Government provides further guidance on the meaning of the appropriate balance from paragraph 7 of the Community Infrastructure Levy Guidance – Charge Setting & Charging Schedule Procedures (March 2010).</p> <p>Likewise, the purpose of CIL must be to positively fund the infrastructure required to enable growth. This is clearly outlined by Regulation 59(1) which states "A charging authority must apply CIL to funding infrastructure to support the development of its area".</p> <p>Section 216 of the Planning Act 2008 defines infrastructure as:</p> <p>a) roads and other transport facilities, b) flood defences, c) schools and other educational facilities,</p>	All	<p>Officer Comment</p> <p>The GNDP has received the Judgment and the Order from the Courts. The Partnership has received legal advice and can proceed with the process. Once submitted, the timetable for the CIL Examination is entirely in hands of the Planning Inspectorate.</p> <p>Noted. This is not an exclusive definition Regulation 63 of 2010 CIL regulations specifically excludes g) affordable housing from its definition of infrastructure that can be funded by CIL</p>	No Change

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>d) <i>medical facilities,</i> e) <i>sporting and recreational facilities,</i> f) <i>open spaces, and</i> g) <i>affordable housing (being social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008 (c. 17) and such other housing as CIL regulations may specify)</i></p> <p>There is a requirement under Regulation 123 to provide a list of “relevant infrastructure” to be wholly or partly funded by CIL. It is also possible also under Regulation 60(1) for CIL to be used to reimburse expenditure already incurred on infrastructure, a tool which could have useful implications. We therefore consider that it is imperative that the evidence supporting CIL:</p> <ul style="list-style-type: none"> clearly outlines the key infrastructure projects required to support development (this being the key test of the Regulations) outlines an up to date, consistent and well informed evidence base of economic viability in order to test various scenarios against CIL rates. <p>It is clear from the available evidence base that GNDP has produced extensive documentation on the infrastructure needs. It is however the evidence of economic viability which Savills as representatives of both land owners and house builders are most concerned, as outlined in this representation.</p> <p>Given the focus of CIL as being supportive of development it is also important that the test of viability considers those sites/ areas which are central to the delivery of the each authority's vision for the city and Joint Core Strategy policy objectives. It would not be acceptable to simply dismiss some sites as being rendered unviable purely because some are considered to be viable without due consideration of wider planning and corporate objectives of the relevant authority. The consequences of this could well be unplanned development at the expense of those areas where regeneration is planned.</p> <p>The emerging National Planning Policy Framework (NPPF) is clear on the requirement that the planning system “does everything it can to support sustainable economic growth” (paragraph 13). Further, paragraph 39 makes clear the fundamental principle of ensuring development viability is not constrained by burdens of obligations or policy, and with regard to CIL the NPPF specifically states that CIL “should support and incentivise new development” (paragraph 40).</p> <p>The Guidance states at paragraph 7 that “CIL is expected to have a positive economic effect on development across an area in the medium to long term”. The Government also makes clear that it is up to Local Authorities to decide ‘how much’ potential development they are willing to put at risk through CIL. Clearly, whilst this judgement needs to consider the wider planning priorities; it does seem obvious that a large degree of discretion is being afforded to charging authorities in making the judgement. It is therefore imperative that the viability of CIL is robustly tested against sites which are most likely to bring forward the housing numbers currently set out in the JCS.</p> <p>The Guidance also makes clear the evidently narrow focus of the CIL Examination process permitted by the Regulations, paragraph 9 states: “The Independent Examiner should check that:</p> <ul style="list-style-type: none"> The charging authority has complied with the required procedures set out in the Planning Act 2008 and the CIL Regulations; The charging authority draft charging schedule is supported by background documents containing appropriate available evidence; The proposed rates or rates are informed by and consistent with, the evidence on economic viability across the charging authority's area; and Evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area 		<p>Set out in JCS and LIPP</p> <p>Set out in GVA reports and Supplementary evidence and also in the Affordable Housing Viability Study July 2010.</p>	

Respondent id	Respondent Name	Response	Area	Comment	Action
		<p>Having considered these key points from the Regulations and other guidance, we do not believe that GNDP has provided clear evidence of viability at the levels of CIL proposed. We summarise our reasons below and provide detail in the next section of this response.</p> <ul style="list-style-type: none"> GNDP commenced their CIL consultation using a flawed viability document, prepared by their agents, GVA. GNDP have failed to listen to the concerns of housebuilders, landowners and agents throughout the consultation process. Post the Preliminary Draft Charging Schedule consultation, Savills, alongside Norfolk Homes Ltd, attended meetings with GNDP, to again raise the serious misgivings of developers and other agents to the proposed levels of CIL. We were told that GNDP were being encouraged to keep CIL as high as possible by the Members of the three charging authorities as they were convinced, via hearsay and anecdotal evidence, that “super profits” were still being enjoyed by land owners and house builders alike. GNDP have set out their formula for calculating CIL, which allows them to increase the tariff in line with BCIS Tender Price Index. We make further comment on house price –v- build cost inflation below but, as CIL is to be indexed in this way, the only market to have account of is now. 2007 is irrelevant. It is acknowledged that some sites will not be viable under the CIL regulations or will require a reduction of the affordable provision in order to ensure viability. GVA have however made recommendations in the knowledge that CIL has been set at such a level whereby only 20% affordable housing can be provided. This does not accord with policy and surely should not be the starting point for CIL. <p>We consider that this failure to address viability from a robust evidence base will result in the following:</p> <ul style="list-style-type: none"> The affordable housing provision will be severely compromised at the proposed level of CIL. Many sites are unlikely to be able to support any affordable homes; and Development will stall, either though sites not coming forward due to the land values being unpalatable to land owners or house builders being unable to afford the “upfront” payment of CIL, as the phasing proposals bear no resemblance to a development timeline. <p>The consequences of the latter point above will be both economic and social, as follows:</p> <ul style="list-style-type: none"> The charging authorities will fail to adhere to policy in relation to housing numbers and their five year land supplies and Charging authorities will be left with enormous debt from forward funding the infrastructure without CIL coming in at a level sufficient to pay it back. They will also forego significant money that would have been received as New Homes Bonus. This will put local authority services and new investment at risk. <p>It is not clear from this question if you are inviting us to respond more fully in this section. We therefore set out the detail of our response to this Draft Charging Schedule in the following section. As Savills’ response primarily relates to viability based on a residual valuation, we have dealt with each input separately and have commented on where the approach by GVA/GNDP does not reflect the workings of the market. Our input sections as set out below are:</p> <ol style="list-style-type: none"> Gross Development Value (GDV) (Open market and affordable housing) Timing/phasing Land acquisition costs Build costs (Flats, houses/garages and Code for Sustainable Homes) Warranties/EPCs Site servicing Planning Abnormals (demolition/remediation etc) 		<p><u>GVA comment</u></p> <p>We have not received any actual evidence from the Easton Land Owners Consortium to suggest why the evidence base we have used is flawed – we have only received assurances ‘that it is flawed’.</p> <p>We would note that we have used sales evidence provided by Savills throughout the viability study (which GVA is happy to provide to an Examiner as required).</p> <p>GVA has not set out in its report that ‘only’ 20% affordable housing can be provided, but that a minimum of 20% affordable housing can be provided.</p> <p><u>Officer comment</u></p> <p>Extensive meetings have been held to maintain dialogue with the development industry throughout the development of CIL.</p> <p>The additional work to augment the GVA report arose from those discussions raising the concerns of Savills clients.</p> <p>The formula for indexing is set out in Regulations.</p> <p>GVA work was based on location being able to deliver a <u>minimum</u> of 20% affordable housing. This implies that the majority of site will deliver in excess of 20% AH.</p> <p>Where it is clear the policy requirement for AH cannot be delivered, site specific negotiations will determine local AH provision for that site in accordance with JCS policy 4.</p>	

Respondent id	Respondent Name	Response	Area	Comment	Action
		9. Professional fees 10. Section 106 costs 11. Marketing/agents and legal fees 12. Finance 13. Profit 14. Land values			

Question 2:	Please state in the table below which part of the Draft Charging Schedule(s) you have further comment on. I would like my representation to be considered for (please tick): Broadland District Council's Draft Charging Schedule..... <input type="checkbox"/> Norwich City Council's Draft Charging Schedule..... <input type="checkbox"/> South Norfolk Council's Draft Charging Schedule..... <input type="checkbox"/>
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Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
DCS003	Water Management Alliance		I write further to my letter dated 14 November 2011, submitted on behalf of the Broads (2006) IDN and Norfolk Rivers IDB, regarding the preliminary draft charging schedules for your CIL. The contents of that letter still apply, but I would also like to take this opportunity to express the Water Management Alliance's wish to be consulted when you prepare your Regulation 123 list(s) setting out the specific infrastructure to be funded/ part-funded through the CIL and would welcome the opportunity to provide input to that document regarding drainage and flood risk matters.		Officer comment Noted – relates to how CIL funds are spent	No Change
DCS004	Jill Wheatley		I am writing to support the view that housing for which planning permission has already been given(10,000) should go ahead but then the greatest efforts and resources be put into refurbishing the many empty properties in the area, we do not need more new housing. Greater emphasis should be put on building <u>sustainable communities</u> through the use of energy saving projects, improved integrated public transport systems to discourage car use and local facilities such as schools and shops, etc.		Officer comment CIL is not the determinant of the number of dwellings to be built. This is established through the planning process, and CIL can only be introduced where there is an up to date adopted development plan.	No change
DCS005	Highways Agency	Community Infrastructure Levy: Background and Context – Appendix 1	The Table at Appendix 1 is intended to make it clear as to what elements of infrastructure are to be funded from CIL contributions. However, the transport item seems ambiguous in that the CIL column contains a general description of the same things that appear in the S106 & S278 column but in more detail. If the meaning is that S106 & S278 works are directed to areas in and immediately surrounding the application site but those in the CIL are more general and remote from the site, can this be made clearer please	All	Officer comment Comments noted – on the face of it there would appear to be inconsistencies, however as these relate to the background paper rather than the Charging Schedule itself, there are no consequential changes required to the Schedule.	No change
DCS006	Brundall Parish Council		At it's meeting dated 23rd February 2012, Brundall Parish Council asked me to forward the below stated comment regarding the Notice of consultation: <i>"That the proportion proposed by the Joint Core Strategy of a 5% allocation for local infrastructure is an inadequate allocation of CIL money as it gives this village little incentive to</i>		Officer comment In late 2011, the Government consulted on detailed changes to the CIL regulations to take account of the Localism Act. This consultation process indicated that a	No change

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			<i>encourage development</i> ".		<p>minimum amount to be passed to local communities was likely to be established nationally. It may well be open to individual charging authorities to pass on a higher proportion</p> <p>This position was reflected in the draft charging schedules.</p>	
DCS009	The Theatres Trust		<p>Thank you for your letters of 23 January and 1 February consulting The Theatres Trust on the publication of the CIL draft charging schedules for Broadland, Norwich and South Norfolk councils.</p> <p>We support the publication document because Art and Cultural Infrastructure are included in Appendix 1.</p> <p>The individual Draft Charging Schedules have a section for sui generis and we suggest for clarity that theatres are added to the examples given. We also suggest it may be confusing to use the term 'assembly and leisure' for both D2 and sui generis. As a descriptive term it belongs to D2 class use and, as sui generis is not a Use Class, it should be separated from D2 although the charge may be the same.</p> <p>The Theatres Trust is The National Advisory Public Body for Theatres. The Theatres Trust Act 1976 states that '<i>The Theatres Trust exists to promote the better protection of theatres.</i> It currently delivers statutory planning advice on theatre buildings and theatre use through the Town & Country Planning (General Development Procedure) (England) Order 2010 (DMPO), Articles 16 & 17, Schedule 5, para.(w) that requires the Trust to be consulted by local authorities on planning applications which include '<i>development involving any land on which there is a theatre.</i>'</p>		<p>Officer comment</p> <p>Noted.</p> <p>Theatres are defined as sui generis uses in the Use Classes order. For the purposes of CIL sui generis uses will be charged the rate for the use which is most akin to them in the charging schedule. Theatres will therefore be charged £25 per sq m as D2 assembly and leisure.</p>	Clarify as part of Background Paper – add use classes link to glossary.
DCS010	Environment Agency		<p>Thank you for inviting us to comment on the above consultation document. Our advisory comments remain similar to those given in respect of the preliminary draft charging schedule.</p> <p>We understand that the final charging schedule will lead to the production of a 'Regulation 123 List' under CIL Regulations which will set out the specific infrastructure to be funded/part funded by CIL. We would welcome the opportunity to provide input, particularly into the production of the 'Regulation 123 list', but also into any future review of the LIPP.</p> <p>We note that appendix 1 of the 'Background and Context' consultation document includes an indication of the categories of infrastructure currently intended to be funded/part funded by CIL. We support the inclusion of the following general infrastructure types: green infrastructure, waste recycling, renewable energy, flood prevention and drainage, and utilities. In particular we would highlight the importance of considering projects/infrastructure that offer multiple environmental benefits.</p> <p><u>Flood prevention and surface water drainage</u></p> <p>We support the general inclusion of flood prevention and drainage infrastructure within appendix 1. This could also include the establishment and ongoing maintenance of flood defence structures and assets, and the maintenance of river systems for conveyance and recreation purposes.</p> <p>However it appears that there may be an expectation that future flood defences are likely to be fully funded through the Environment Agency. It should be noted that this may not necessarily be the case and further/additional sources of funding may be required. In particular, it should be noted that we are unable to fund defences specifically required for future development proposals. There may be flood defence/prevention schemes with the potential to be CIL funded/part funded.</p>		<p>Officer comment</p> <p>These are general observations rather than specific comments on the charging schedules. They relate primarily to future spending priorities which will be determined primarily through the LIPP, with those elements potentially capable of being funded through CIL being identified in regulation 123 lists. These can be varied and the one included in the consultation papers was indicative. Nonetheless it is gratifying that the Environment Agency find so much to support in the approach.</p> <p>It is noted that in the case of flood defence schemes to serve a particular development; the Environment Agency would seek developer contributions rather than fund the works through their own budget.</p> <p>The advice of the Environment Agency that further dialogue should continue with various parties including the water company and relevant officers at the Lead Local Flood Authority (Norfolk County</p>	No change

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>This is currently subject to discussion internally. We would welcome further discussion on any potential schemes when you begin to draft your Regulation 123 list/review your LIPP.</p> <p>Information on Environment Agency Anglian Region flood risk and coastal management schemes along with information on their funding has been placed on our web site - see web link below.</p> <p>http://www.environment-agency.gov.uk/research/planning/118129.aspx</p> <p>You may wish to discuss the issue of surface water drainage infrastructure with the relevant officer at the Lead Local Flood Authority. We are aware that there is a draft Surface Water Management Plan (SWMP) for the Norwich area. The SWMP recommends that a number of actions are required to manage surface water within Norwich more effectively. These can be found within appendix D. The SWMP suggests that its findings should be a source of evidence for future infrastructure planning and reviews of the LIPP. We therefore recommend that the outputs of the SWMP are considered when planning future infrastructure.</p> <p><u>Wastewater/water infrastructure</u></p> <p>We recommend that discussions with the Water Company continue to determine where water infrastructure is required and the appropriate funding mechanism for that infrastructure.</p> <p><u>Green Infrastructure</u></p> <p>We are supportive of all forms of green infrastructure particularly as they can often provide multiple benefits such as habitat creation, water quality improvements, surface water drainage etc.</p> <p>Further, we draw your attention to Regulation 17 of the Water Environment (WFD)(E&W) Regulations 2003 which places a duty on each public body, including local planning authorities, to 'have regard to' river basin management plans (RBMP). Indeed, we note that it has already been highlighted within the LIPP that development must support the Anglian RBMP actions to protect/improve water quality. We therefore recommend that you consider where WFD improvements may be possible within the area and whether these could be aided by CIL funding. At this time, it is difficult to provide further guidance on this matter. However, as more information becomes available we would be happy to participate in further discussions through the drafting, or reviews, of your Reg123 list or through reviews of your LIPP.</p> <p>You may wish to consider whether CIL funding could contribute to schemes such as the River Wensum restoration project.</p> <p><u>North East Norwich Water Cycle Study</u></p> <p>When finalised, we recommend that you consider the outputs of the North East Norwich Water Cycle Study. This document should provide guidance on strategic infrastructure requirements which should be taken into consideration in future infrastructure planning.</p> <p>We hope that our comments are helpful to you. We look forward to future discussions with you on this matter.</p>		<p>Council) and to take on board the outputs of the surface water management plan in future iterations of the LIPP is noted and accepted.</p> <p>The outputs of the north east water cycle study will be taken into account should major development in the area be reconfirmed, but following the High Court judgment under section 113 of the Planning and Compulsory Purchase Act, 2004 into the JCS, a decision on this must await further sustainability/SEA work.</p> <p>Strategic green infrastructure is included in the infrastructure list for those things which CIL can support</p>	
DCS011	Sport England		<p>Thank you for consulting Sport England on the above documents.</p> <p>I would wish to make the following brief comments:</p> <ul style="list-style-type: none"> Sport England supports the principle of 'Sport and Play Provision' being defined as Infrastructure to be funded, or part funded, through CIL. We are especially pleased to see that the definition includes all sports facilities, both indoor and outdoor, that meet 		<p>Officer comment</p> <p>Noted – relates to how CIL funds are spent</p>	No Change

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>community needs for such facilities. However, we would also argue that in some cases, for example commuted sums for maintenance of smaller scale on-site facilities, s106 contributions may still be the best method of securing payments.</p> <ul style="list-style-type: none"> We are a little concerned that whilst the Infrastructure Framework identifies additional facility provision required in South Norfolk to meet projected future needs, there is no reference to potential facility needs in Norwich or Broadland, despite much of the projected growth for the JCS area being proposed in these districts. We acknowledge that this framework document will be updated to take into account further identified needs and would suggest that additional work on community sports facility needs within the whole of the JCS area is a priority in this instance. <p>Thank you for the opportunity to comment on these documents, we look forward to further consultation in due course.</p>			
DCS012	Anglian Water		<p>Thank you for the opportunity to comment on the Draft Charging Schedules.</p> <p><u>Infrastructure Schedule</u></p> <p>To clarify:</p> <p>In general, wastewater treatment infrastructure upgrades to provide for residential growth are wholly funded by Anglian Water through our Asset Management Plan.</p> <p>Network improvements (on-site and off-site) are generally funded/part funded through developer contribution via the relevant sections of the Water Industry Act 1991. There are a number of options to pay that can include deducting the revenue that will be raised from the newly connected dwellings through the household wastewater charges over a period of twelve years off the capital cost of the network upgrades. The developer then pays the outstanding sum. Further information on paying for new or upgraded sewers can be found:</p> <p>http://www.ofwat.gov.uk/legacy/aptrix/ofwat/publish.nsf/AttachmentsByTitle/selflay_guidance_financial140504.pdf/\$FILE/selflay_guidance_financial140504.pdf</p> <p><u>Infrastructure Framework</u></p> <p>SP1-SP13: Category reads 'Water', however the projects all refer to Wastewater, for clarity I suggest the category is amended to 'Wastewater'.</p>		<p>Officer comment</p> <p>Confirmation that funding streams other than CIL are normally used to support water infrastructure is noted</p> <p>Officer comment</p> <p>Infrastructure framework – the relevant heading could be amended to "Wastewater"</p>	<p>No change</p> <p>No action. However, minor clarification Amend heading in infrastructure framework appended to the Background Document for SP 1 to SP 13 to "Wastewater"</p>
DCS013	Chedgrave Parish Council		<p>Following a meeting of the Parish Council last night, the Councillors asked me to forward the following observations re the CIL.</p> <p>The Councillors are in agreement with the principal that developers should make a contribution to local communities but would rather see VAT imposed on new developments as a means of raising revenue.</p>		<p>Officer comment</p> <p>This suggestion falls outside of the scope of the powers given to local planning authorities.</p>	No change
DCS017	Stephen Heard on behalf of Stop Norwich Urbanisation		<p>We do not believe, as the JCS has found to be unlawful, that this consultation is valid any more and that it should be scrapped until there is a lawful and adopted JCS.</p>		<p>Officer comment</p> <p>The GNDP has received the Judgment and the Order from the Courts. The</p>	No change

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					Partnership has received legal advice and can proceed with the process. Once submitted, the timetable for the CIL Examination is entirely in hands of the Planning Inspectorate.	
DCS019	Broads Authority		<p>Summary: Broadland, Norwich and South Norfolk Councils have recently published a set of draft charging schedules for their proposed Community Infrastructure levy. The draft Schedules were published on the 6th February 2012 and the consultation period for comment runs until 5th March 2012.</p> <p>Recommendation: Members are requested to consider the comments contained in paragraph 7.2 of this report and agree that they be forwarded to the relevant Councils as the formal response by the Broads Authority.</p> <p>1 Background</p> <p>1.1 Members will be aware that the Joint Core Strategy (JCS) for Broadland, Norwich and South Norfolk was adopted on 24th March 2011. At the time of writing this report there is still an outstanding Judicial Review to be determined in respect of this document however for the purposes of planning policy the JCS continues to be in force. The JCS is designed to deliver 37,000 new houses and 27, 000 new jobs between 2008 and 2026. This is dependent on investment to overcome the deficiency in supporting infrastructure. The JCS is very much predicated on the implementation of the Norwich Northern Distributor Road (NDR) and the Norwich Area Transportation Strategy (NATS). Other fundamental requirements include significant investment in green infrastructure, education, waste and water infrastructure including Whitlingham sewage treatment works and a range of other community facilities. The GNDP have therefore been working on their Community Infrastructure Levy for some time ensuring that it is supported by evidence and that it is viable. The draft charging schedules are the result of that work and are currently the subject of public consultation.</p> <p>1.2 For Members' information all of the information pertaining to this consultation can be found at: www.gndp.org.uk</p> <p>1.3 Members are reminded that the Broads does not currently have any plans to introduce a CIL of its own due to the low levels of development expected to take place in the Broads balanced against the costs of evidencing, compiling and collecting CIL. CIL contribution will not be collected from the respective District Councils where their administrative areas is covered by the Broads Executive Boundary however it could be spent within the Broads provided it was clear how this was contributing towards the delivery of the JCS growth and other objectives. This is most likely to be in respect of green infrastructure provision.</p> <p>2 Scale of Development and spatial Strategy</p> <p>2.1 The CIL charging schedules produced by the GNDP set out how developer contributions will be collected to help implement the proposals in the JCS. The scale of development proposed is very significant with approximately 37,000 new dwellings planned between 2008 and 2026. The figure includes commitments outstanding at the base date of the plan as well as allocations. Approximately 27,000 additional jobs are to be created in the same time period and additional retail floorspace of approximately 23,000 m2 is projected.</p> <p>2.2 Under the CIL regulations 2010 and 2011, the adoption of the JCS allows the local planning authorities to prepare and submit Charging Schedules which will enable funding to be collected for infrastructure needed to support/deliver proposed growth.</p>		<p>Officer comment</p> <p>Comments noted particularly with regard to the clarity of the charging zone boundary maps.</p>	Clarify Charging Zone maps

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>2.3 The evidence base underlying the charging schedules has been jointly commissioned by the three local planning authorities and Norfolk County Council, although presented as separate schedules to comply with legal requirements they all rely on the same evidence base and will form a Common Local Investment Plan and Programme (LIPP). They will also be submitted for consideration at one joint examination.</p> <p>3 Evidence of Infrastructure needed</p> <p>3.1 The infrastructure needed to support the growth has been established through a range of means. An infrastructure Needs and Funding Study (EDAW/AECOM 2009) looked at high level estimates of costs and pointers towards potential funding mechanisms – the study looked at transport, utilities, social infrastructure and green infrastructure. Subsequent work to refine this study was undertaken in the run up to the Examination In public in 2010.</p> <p>3.2 The total cost for infrastructure appears to be in the region of £705m.</p> <p>4 Evidence of Viability</p> <p>4.1 It is important that whatever CIL is chargeable should strike a balance between the need to fund infrastructure and the potential effects of CIL on the economic viability of development across the area. It's possible that CIL will capture more of the land value uplift that results from development than the previous regime based on S106 contributions. This is likely to create downward pressure on the land values and profits. Evidence of viability has been undertaken by the GNDP in a variety of studies including looking at affordable housing at a range of densities, and on a wide range of sites, both greenfield and brownfield, taking into account location. Two studies were undertaken by GVA Grimley in 2010 and 2011 that introduced the concept of differing charging zones for CIL.</p> <p>5 Charging Zones</p> <p>5.1 There are 4 charging zones proposed:</p> <ul style="list-style-type: none"> - A central zone focused on the urban area of Norwich - An inner zone embracing those settlements in close proximity to Norwich - The "A11" corridor focused on road and rail corridor - An outer zone covering the more rural parts of the area. <p>5.2 A map showing the proposed charging zones and a table illustrating the proposed charging levels is shown at Appendix 1 for Members Information.</p> <p>5.3 It is not intended to scrutinise the detail of these in this report as clearly these have been arrived up over a period of time and using a considerable amount of primary and new evidence. The Broads Authority does not have any evidence of its own to either challenge or support the proposed charges, nor does it propose to commission any further evidence to do this. A considerable amount of this information has already been tested at the Examination into the JCS in 2010 in any event.</p> <p>6 Infrastructure Priorities</p> <p>6.1 The draft schedules indicate the relative priorities of pieces of infrastructure. Priority One includes transport, green infrastructure and utilities. Whilst it is pleasing, from a Broads perspective, to see that Green Infrastructure is given Priority One status, it is recognised that this is largely as a requirement of the Habitats Regulation Assessment and the need for the</p>			

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			<p>local planning authorities to comply with this process.</p> <p>6.2 The key pieces of strategic green infrastructure of most interest to the Broads Members are enhanced public access to the Yare Valley and the “broads buffer zone” - an identified area between the Broadland Growth triangle and the Broads Executive Boundary</p> <p>6.3 The key piece of strategic water infrastructure likely to be of interest to Broads Authority members is the Whitlingham Treatment Works, for which various options for upgrades range in cost from £42m to £500,000.</p> <p>7 Assessment</p> <p>7.1 It is not proposed to make any detailed comments on the cost associated with infrastructure and the evidence compiled by the GNDP to support it – for the reasons outlined in paragraph 5.3 above. It is clear that the infrastructure required to support the planned growth is large and that the costs associated with delivering it are again significant at £705m. It is also recognised that in the region of £277m would be funded directly through the current programmes of the service providers but that still leaves a gap of £477m. Approximately £100m of that will come from other sources including Growth Point funding and DfT funding (for NDR). There still remains a funding gap in the region of £377m that needs to be found through CIL. It is recognised that this is a complex area of work and that the GNDP has made significant progress in bringing forward it’s charging schedules in a challenging climate.</p> <p>7.2 It is recommended that the Broads Authority raise no formal objections to the current consultation but offers the following comments:</p> <ul style="list-style-type: none"> • The Broads Authority welcomes the progress made towards a CIL charging schedule for the three local planning authorities • The three local planning authorities all have a legal obligation (<i>under the Norfolk and Suffolk Broads Act 1988, as amended</i>), in exercising or performing any functions in relation to, or affecting, land in the Broads, to have regard to the purposes of <ul style="list-style-type: none"> a) Conserving and enhancing the natural beauty, wildlife and cultural heritage of the Broads; b) Promoting opportunities for the understanding and enjoyment of the special qualities of the Broads by the public; and c) Protecting the interests of navigation. • The Broads is a nationally designated area with status equivalent to a national park, the highest level of landscape protection, and a wetland of international importance. It is partly within Broadland and South Norfolk Districts and Norwich City, and immediately adjacent to the JCS planning area. • The importance of the Broads and the need to address this in plans for surrounding areas is highlighted in both the East of England Plan and the GNDP Joint Strategy. • Support for the inclusion of strategic green infrastructure as Priority 1 – specifically the “broads buffer” and the proposals to enhance access to the Yare. • Support for the inclusion of water infrastructure improvements as Priority 1 • Requests that the detailed charging zone maps show the Broads Executive Area to more clearly delineate where the CIL is applicable. 			
DCS021	Building Partnerships	2.1 2.2	<p>Planning permission should be defined as the expiry of the Judicial Review Period on any detailed planning permission and the expiry of the Judicial Review Period for the last reserved matters on an outline planning permission. For large residential or commercial schemes where outline planning is obtained followed by detailed consent on each phase or each building it should be the implemented detailed consent on the relevant phase or building.</p> <p>For planning permission for mixed use development there are different timescales for implementation and payment should be triggered separately on the commencement of the</p>	All	<p>Officer comment</p> <p>2.1 Regulation 8 defines the time at which planning permission first permits development. In general, it is defined as the day that the planning permission is granted, including the approval of any matters reserved by condition for</p>	No change

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		4.0 5.1	residential and commercial elements. The reference to 'All other types of development ...' should specify the Use Classes covered (i.e. B1, B2, B8 etc). Reference to '(at the Date of Planning Permission) should refer to expiry of the Judicial Review Period (see 2.1 above) or, more properly, relate to building cost index from the date of the commencement of development.		subsequent approval. In the case of an outline planning permission, it is the date on which the last of the reserved matters is approved. Where phases are subject to separate reserve matters approvals, each reserved matters approval constitutes a separate chargeable development 2.2 Regulation 8 does not differentiate between different uses granted by the same planning permission. Clearly it follows from the summary above that if different uses were treated as different phases to be initiated by different reserved matters approvals, each would then be a separate chargeable development 4.0 "all other types of development" does indeed include B 1, B. 2 and B. 8, but is also intended to include other "Sui generis" Uses not specified elsewhere, and so cannot be limited to defined use classes. it could however specify "including classes B1, B2 and B8 5.1 Regulation 8 defines the date of the planning permission. Regulation 40 specifies the arrangements for indexation. It would however be more accurate to define the dates as "for the year in which planning permission was granted", and "for the year in which the charging schedule took effect" rather than "at the date of planning permission" and "at the date of the charging schedule" to reflect the fact that indexation occurs annually	Minor clarification to charging schedule: Clarify that the category specified as "all other types of development" does include classes B1, B2 and B8 Minor clarification In paragraph 5.1 clarify that indexation relates to "for the year in which planning permission was granted" and "for the year in which the charging schedule took effect"
DCS022	CPRENorfolk		Thank you for your letter of 23rd January 2012 inviting CPRE to comment on the latest Community Infrastructure Draft Charging Schedule. CPRE Norfolk continues to oppose the housing targets in the JCS which are incompatible with our core objectives to protect and enhance the rural environment. The high level of development envisaged, much of it on greenfield sites, will lead to a severe erosion of the features that make the countryside surrounding Norwich so special. Rural areas will be suburbanised and tranquillity will diminish as population density, traffic congestion, light and noise pollution increase considerably. Of course it is right as a matter of principle for developers to pay for the infrastructure necessary for their developments. But if housing numbers are too high the amount of new infrastructure required becomes excessive and will itself contribute to the suburbanisation of the countryside. CPRE Norfolk understands that the rate for Zone A is set higher than Zone B because of predicted higher retail values. We also note that all of the locations proposed for major growth in the Norwich Policy with the exception of Long Stratton, fall within Zone A, and that there has been a reduction in the differential between rates for Zone A and B. Nevertheless, it is clear that the price differential is likely to encourage some developers to build on the more rural Zone B		Officer comment The DPDs set the quantum of development, both in total and by settlement. Setting a differential charge will not lead to greater development in the lower band areas as this is controlled by the development plan. The zones are set to reflect viability of development and are not there as a policy tool to encourage or suppress development.	No change

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			sites first. CPRE would strongly prefer to see incentives put in place that would encourage Brownfield sites, located within existing development boundaries, to be the first to be developed.			
DCS027	Barton Willmore on behalf of Welbeck Strategic Land Ltd		<p>We act on behalf of Welbeck Strategic Land Ltd and have been prepared a response to the recent CIL consultation. Welbeck control land in Aylsham and Mulbarton.</p> <p>In accordance with Section 212 of the Planning Act 2008 and Regulations 16 and 17 of The Community Infrastructure Levy Regulations 2010 (as amended), the Greater Norwich Development Partnership (GNDP) published the Community Infrastructure Levy (CIL) Draft Charging Schedules for Broadland, Norwich and South Norfolk and invited representations to be made over a four-week period.</p> <p>The draft charging schedule is supported by an evidence base prepared by GVA Grimly. This submission is made in respect of the proposals of the GNDP regarding residential development. In short, the GNDP propose a zoning charge. Those sites falling in Zone A would be subject to a CIL charge within a range of £135 - £165 per sqm and those in Zone B will be charged £75 per sqm.</p> <p>The CIL Regulations 2010 (No' 948) came into force on 6 April 2010. Paragraph 55 makes provision for discretionary relief for exceptional circumstances. The exact policy wording is as follows:</p> <p>Discretionary relief for exceptional circumstances 55.—(1) A charging authority may grant relief (“relief for exceptional circumstances”) from liability to pay CIL in respect of a chargeable development (D) if— (a) it appears to the charging authority that there are exceptional circumstances which justify doing so; and (b) the charging authority considers it expedient to do so. (2) Paragraph (1) is subject to the following provisions of this regulation. (3) A charging authority may only grant relief for exceptional circumstances if— (a) it has made relief for exceptional circumstances available in its area; (b) a planning obligation under section 106 of TCPA 1990(b) has been entered into in respect of the planning permission which permits D; and (c) the charging authority— (i) considers that the cost of complying with the planning obligation is greater than the chargeable amount payable in respect of D, (ii) considers that to require payment of the CIL charged by it in respect of D would have an unacceptable impact on the economic viability of D, and (iii) is satisfied that to grant relief would not constitute a State aid which is required to be notified to and approved by the European Commission. (4) The Mayor may not grant relief for exceptional circumstances in respect of a chargeable development unless a claim for that relief is referred to the Mayor by a London borough council in accordance with regulation 58(3).</p> <p>It is Welbeck’s submission that the GNDP must confirm in the charging schedule that they will consider applications for exceptional relief. At present there is no such provision in the South Norfolk, Broadland or Norwich City draft schedules.</p>		<p>Officer comment</p> <p>A range for CIL in the inner residential charging zone was given in the preliminary draft charging schedule. This stage proposes a charge of £115/m2.</p> <p>Regulation 55 does provide for discretionary relief for exceptional circumstances. It is also clear that an authority wishing to introduce such relief must explicitly make relief for exceptional circumstances available in its area (regulation 55 (3) (a)).However the mechanism for introducing such relief does not need to be in the charging schedules. Regulation 56 sets out the notification requirements for a charging authority, which are limited to</p> <ul style="list-style-type: none"> - Issuing an appropriate statement including specifying the date from which relief will be granted - Publishing the statement on its web site and making it available at specified places <p>Sending a copy to the collecting authority (if it is not the charging authority - for example the County Council in respect of developments which it permits, or in appropriate circumstances other bodies such as the HCA, an Enterprise Zone Authority or an Urban Development Corporation. Such bodies are specified in regulation 10)</p> <p>Para 12.5 of the explanatory document is clear that there is currently no expectation that discretionary relief will be offered, but states that the position will be kept under review in the light of experience. We do not expect to apply discretionary relief</p>	No change
DCS029	Norfolk and Norwich Transport Action Group		<p>The Charging Schedule has been informed by local evidence regarding infrastructure requirements and the impact of a Levy on the economic viability of development.</p> <p>The Norwich and Norfolk Transport Action Group considers that the Charging Schedule for Broadland, Norwich and South Norfolk and accompanying Background Document should be withdrawn and re-assessed in the light of Mr. Justice Ouseley’s decision in the case of Heard V Broadland, Norwich and South Norfolk.</p> <p>The Judgment in relation to the NDR is that it was right “to treat (the NDR) as part of the</p>		<p>Officer comment</p> <p>Following on from the recent legal challenge, the NDR remains in the joint core strategy and is identified as infrastructure required to support the overall scale of growth across the area of the plan. Whether or not the NDR is in the baseline of the SA is not an issue for</p>	No Change

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>baseline against which the environmental effects of the growth strategy were assessed". This is because the NDR was developed as part of NATS and the LTP and so was therefore an element of another plan or programme.</p> <p>From the Government's own 2011 Community Infrastructure Levy Overview document, it is clear that "the money can be used to fund.....infrastructure that is needed <i>as a result</i> of development".</p> <p>As stated by Mr Justice Ouseley, there was a plan for the NDR even without the development and growth. In other words, the NDR <i>has not resulted</i> from development. It has resulted from Norfolk County Council's own plans (such as the LTP) which form part of the baseline for the JCS. Therefore, it is unreasonable to expect developers to pay for the NDR via the Community Infrastructure Levy when it is not a scheme on which growth is reliant.</p> <p>Consequently, we contend that the NDR should be deleted from the Infrastructure Framework set out in the Background Document.</p>		determining required infrastructure. CIL is available to support infrastructure required for development of the area and that would include the NDR.	
DCS023	Templemere Residents	11.2	<p>Local residents are concerned that any monies raised will be diverted to the NDR rather than to be spent in areas directly affected by developments. There will be no incentive for local residents to accept development in their area therefore; more likely to object to development and hold up plans when they could provide local employment and/or improvement in amenities.</p> <p>This comment is raised on behalf of the committee of the residents' association.</p>	Norwich City	<p>Officer comment</p> <p>Noted, however this consultation relates to the draft charging schedule, and does not relate to the use of CIL revenue. The local authorities will be responsible for ensuring that infrastructure is provided to serve development at the appropriate time.</p>	No change
DCS024	WM Morrison		<p>One rate for all retail development above 100 sqm should be imposed, and the rate reduced to take all relevant factors (such as anticipated S106 contributions) into account</p>	All	<p>Officer comment</p> <p>The higher rate for larger scale convenience goods stores is justified by GVA in their evidence. The threshold of 2000 sq m has been further justified through additional evidence produced as part of the current consultation. This is justified on the basis of sales figures for larger format stores. GVA evidence suggests a much higher rate of CIL could be viable. Most retail in Greater Norwich will be liable for the lower rate of CIL. No further evidence has been provided as part of this representation to justify a different rate. The majority of infrastructure will be funded in future through CIL rather than s.106.</p>	No change
DCS031	Sainsburys Supermarkets		<p>We write on behalf of our client, Sainsbury's Supermarkets Ltd, in respect of the draft CIL Charging Schedules for Broadland, Norwich and South Norfolk that are currently being consulted on. As you maybe aware, we have already submitted representations, on 14 November 2011, to the preliminary draft charging schedules which were issued for public consultation in November 2011. We enclose these representations for your reference.</p> <p>We firstly wish to highlight that Sainsbury's are a key national business with the ability to deliver economic investment and job creation around the country, even in the current economic climate. Sainsbury's are always keen to explore future opportunities to enhance their retail offer and as part of this, they are keen to work with local authorities to bring forward opportunities for investment.</p> <p>With this in mind, we are concerned that the proposed CIL Charging Schedules will provide an unnecessary barrier to the delivery of this investment. In particular, and from review of the current schedules, we are concerned that no material amendments have been made to the</p>		<p>Officer comment</p> <p>Further evidence has now been provided to justify the threshold of 2000 sq for the application of the £135 per sq m for convenience goods retail. This supplements the evidence provided by GVA about retail development and their suggestion that large convenience goods stores can support a much higher charge. We have not opted for this higher charge but have rather sought to apply a rate based on local knowledge and information about costs and sales values in Greater</p>	No change

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>document to overcome our fundamental objection that the proposed levy of £135 per m² on convenience stores over 2,000m² is unreasonable and unjustified.</p> <p>We would reiterate the view expressed in our letter of 14 November 2011 that the figure of £135 per m² has not been robustly assessed, particularly in terms of the potential impacts on the economic viability of development. The general premise that convenience retail development is more viable and, therefore, can bear a more significant contribution is an unreasonable basis on which to propose a CIL rate, especially without having provided a solid evidence base to support it.</p> <p>Section 14 of the CIL Regulations requires that the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area must be considered. The proposed levy of £135 per m² will have significant adverse impacts on the viability of potential schemes, particularly as substantial contributions will also be required through existing Section 106 Agreement. The imposition of an additional unnecessarily high levy rate on convenience retail development will ultimately only result in developers and operators being less disposed to develop within the Norfolk area and being attracted to other authorities where the levy is lower. As such, the proposed levy will only serve to critically undermine any other benefits that may be available to entice development and restrict the potential for the Norfolk authorities to attract investment opportunities.</p> <p>In addition, the principle of such a significant levy fundamentally conflicts with the overall aspiration of the Government for local authorities to promote sustainable economic development. We would re-iterate that one of the key messages from 'Planning for Growth' is that LPA's should "ensure that they do not impose unnecessary burdens on development". Despite this, the proposed levy rate will only be harmful to investment and job creation, thereby, negating the clear thrust of national policy.</p> <p>We firmly believe that the proposed levy on convenience floorspace of £135 will adversely impact upon the ability of the authorities within Norfolk to attract investment. In addition, the need for the levy rate is not substantiated by a credible evidence base. The only conclusion that can be made from the above, and our previous representations, is that the levy is in conflict with current national policy. Therefore, the levy as proposed is not reasonable or sound and the document simply cannot be progressed to Examination in its current format.</p>		Norwich for this type of store. The intention- as indicated in the Regulation 123 list is the s.106 requirements will be very limited- site specific requirements.	
DCS032	Easton Land Owners Consortium Norfolk Homes Ltd Endurance Estates Ltd	GVA Final Report 12/2010 GVA Report 08/2011 GVA Final Report 12/2010	<p>GROSS DEVELOPMENT VALUE</p> <p>GVA claim their advice is based on discussions with land owners, developers and agents but our own research revealed that they had not spoken to many of the parties indicated and that, where they had, the data produced bore no resemblance to the information offered. An example of this comes from Terry Harper of Norfolk Homes Ltd who spoke to GVA at length, providing them with his knowledge and experience of the market. He felt his answers were either not what they wanted, and therefore being dismissed, or that the GVA representative did not wholly understand. Their published results bear this out.</p> <p>It is clear from later documents that GVA actually relied heavily on data from the Land Registry, PROMIS, Rightmove, EGi and Focus. The only one of these that can be relied upon for sale prices is the Land Registry and that in itself is limited as it does not provide detail such as unit size, existence of a garage, specification, incentives etc. All of these data bases are a good starting point but nothing can beat obtaining evidence from agents or developers. Savills were agents on seven residential schemes in 2007 and five schemes in 2009, yet we were not contacted to discuss them.</p> <p>GVA recommended that CIL be set on "normal" market conditions and their view of normal is peak of the market as at 2007. We now have the benefit of hindsight but despite this GVA, in their latest report dated August 2011, still refer to the normal market and have not reviewed the</p>	All	<p>GVA comment</p> <p>Gross Development Value</p> <p>As is clear from our Report, GVA consulted widely, including at Stakeholder events and through individual conversations.</p> <p>GVA holds emails from Savills which explicitly set out their views on values.</p> <p>GVA applied its professional opinion as to the weight to accord the information it was provided with.</p> <p>Officer comment</p> <p>GVA findings added to with evidence gathered locally from development industry, including confirmation of a reasonable local GVA/m².</p>	

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		Draft Charging Schedule 02/2012	<p>sales rates they originally adopted.</p> <p>CIL is to be index linked in line with the Regulations with the base line being the BCIS Tender Price Index at the date of the Charging Schedule. The CIL payable will then be referenced to the BCIS Tender Price Index at the date of planning permission. It is clear that, if CIL is to be indexed from the date of the charging schedule, the level has to be set on current values and pricing. We set out below a table showing the relationship between house prices (Halifax Index East Anglia) and tender costs (BCIS). It can be seen that the two have tracked relatively well but this is purely down to wage suppression and that may not be sustainable. The actual cost of building has risen much faster as can be seen from the BCIS Build Cost Trend data attached at Appendix 1.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>House Prices</td> <td>9.7%</td> <td>-5.7%</td> <td>-13.4%</td> <td>4.0%</td> <td>0.6%</td> </tr> <tr> <td>Build Costs</td> <td>8.2%</td> <td>-4.4%</td> <td>-11.7%</td> <td>4.2%</td> <td>0.4%%</td> </tr> </tbody> </table>	Item	2007	2008	2009	2010	2011	House Prices	9.7%	-5.7%	-13.4%	4.0%	0.6%	Build Costs	8.2%	-4.4%	-11.7%	4.2%	0.4%%		<p>Viability evidence has been used to determine the rate but has not dictated it. The rate of CIL has been influenced by evidence from many sources and the results of previous consultation. The rate of reduction of CIL from the maximum viable as set out in the GVA report is consistent with the drop in house prices noted in Appendix1 1 of the representation.</p> <p><u>GVA comment</u></p> <p>GVA Final Report 12/2010</p> <p>GVA has used the most comprehensive evidence base available (the Land Registry – detailed review), broken down to house type in order to try and accurately reflect the housing market. We have not just relied on sales evidence but also on the view of local estate agents to determine values across the GNDP area.</p> <p><u>Officer Comment</u></p> <p>There is no differentiated charge for residential garages. The separate charge proposed in the preliminary charging schedule has been dropped and the residential rate in Zone A reflects the viability of the house and its associated garage in combination.</p>	
Item	2007	2008	2009	2010	2011																			
House Prices	9.7%	-5.7%	-13.4%	4.0%	0.6%																			
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		GVA Report 08/2011 Para 2.2	<p>We understand that GVA took 2007 as normal market conditions as they believed that this would reflect an early return back to house price highs. GNDP have also followed this approach in their GNDP Supplementary Evidence 12/2011. However sensitivity to market improvement should be discounted for assessment of viability over the next five years. Regard should only be had to current values and costs, plus known increases in costs such as those seen to comply with the Building Regulations Part L and the Code for Sustainable Homes. Beyond that timescale it would be appropriate to build in growth but of both factors; value and cost. However, as it is intended to review the level of CIL on a regular basis it is not relevant to this response.</p> <p>This report sets out GVA's review of the evidence, carried out to test how robust their December 2010 conclusions were, no doubt in the face of the very negative reaction to the level of CIL by those in the industry. Despite having the benefit of hindsight and a plethora of developer and agent based data to hand, GVA still found their pricing as at 2007 to be the correct approach.</p>																					
		GVA Final Report 12/2010	<p>GVA's evidence does not distinguish between flats and houses and as at 2007, there was a high proportion of flats coming forward and this skewed the pricing.</p>																					
		Mott McDonald Report on Garages 09/2011	<p>Mott McDonald found that when plotting the indicated value a garage adds to the sale price against the cost to construct, it appeared that, under most scenarios, the cost associated with constructing a detached garage actually surpasses the increased value which having a garage adds to the sale price.</p>																					
		GNDP Supplementary Evidence 12/2011	<p>Despite the conclusions drawn by GVA in relation to house prices, GNDP have adopted a lower rate of £1,991 per sq m in their appraisals. Savills are aware from their meetings with GNDP that this rate had been verified to them by a number of parties and they therefore felt it appropriate to adopt it in their own calculations. This shows their lack of confidence in the GVA findings.</p>																					
		GNDP Draft Charging Schedule Publication 02/2012	<p>Despite adopting £1,991 per sq m, a rate that Savills has no objection to in relation to an average house on the 250 greenfield development as was under discussion, GNDP have however continued to use GVA's recommended level of CIL as the starting point for their reductions in CIL to allow for garages and remaining Section 106 costs, as follows:</p> <ul style="list-style-type: none"> The original Zone A figure of £170 per sq m was reduced to £160 per sq m and the Zone B from £85 per sq m to £75 per sq m, the £10 per sq m differential being the equivalent of £750 per market dwelling to account for ongoing "on-site" Section 106 liabilities. Two points arise from this; first their starting point was clearly too high in view of them conceding that GVA had got house pricing wrong and secondly Section 106 liabilities are attributed to all houses on a scheme not just the open market units. In a contradictory fashion, just four paragraphs later, GNDP state that the CIL level in the 																					

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		GVA Final Report 12/2010	<p>Zone A area was reduced by 20% from the level proposed by GVA. This is because in the Preliminary Draft Charging Schedule they put in a range from £135 to £160 per sq m. However, in their next adjustment for this current Draft Charging Schedule, they deducted a further £20 per sq m to allow for the fact that garages, other than shared user/decked parking, will fall within the higher CIL tariff. They do not set their approach out clearly but they have had to make this adjustment as GVA failed to consider it in their reports. As the Mott McDonald report concludes that garages cost more to build than the value they add, this adjustment from an artificially high starting point is insufficient.</p> <p>GVA have assumed that affordable housing is cost neutral. We have obtained an indication from two housing associations as to the level of bids they would make and we have adopted the higher of these.</p> <p>Conclusion We consider that GVA's conclusions in relation to residential values are lacking a robust evidence base and that their approach was severely flawed. We also consider that GNDP have realised this and have reduced their CIL to try and mitigate the effect the resulting high CIL rate will have on development in their area. However, as they continued to use the GVA rate as their headline rate, their own approach is also flawed.</p> <p>We have adopted a rate of £1,991 per sq m in our appraisal for average open market dwellings and an average of the housing association rates for the affordable dwellings.</p> <p>For Social Rented, we have adopted 50% of market value, 60% for affordable rent and 75% on shared ownership.</p>			
		GNDP Draft Charging Schedule Publication 02/2012	<p>PHASING</p> <p>We have reviewed the phasing proposals and consider that they are extremely onerous on developers and show a complete lack of understanding of build and sales rates by GNDP. We have been advised by local and regional house builders that they build and sell currently at about 25 to 30 units per year.</p> <p>Assuming a regional builder who would take on sites of say 300 units or less, we have calculated that on the phasing for a CIL liability of £2m +, this represents 183 open market units. Without even allowing for the fact that they would need to build a large proportion of the affordable housing in the first phases, this would take 6 or 7 years to complete. However on the proposed phasing, CIL would be payable within 2 years which is simply not equitable. It should be phased in line with development as affordable housing and other Section 106 costs currently are. GNDP should not assume that developers do not build in order to avoid their obligations as it is often only in the last phases that their profit is made. If they are not building, it generally means that they cannot secure funds or there is no demand. They should not be penalised for this.</p> <p>In relation to the larger schemes, which are likely to be developed by at least two national house builders, they may develop in the region of 40 units per year each. For a 1,000 unit scheme, such as those which will provide the bulk of the housing requirement in the GNDP area, it will take at least 12 years to build the houses. Prior to that, these sites have to be serviced at a much higher cost and for a much longer period than the 250 unit schemes that have been considered to date in this consultation. The impact of CIL being paid within two years of commencement on site, will have a hugely detrimental effect on this type of development.</p> <p>We appreciate that for large schemes, developers can phase the planning permissions to ensure that they are not caught for the full CIL liability up front but this adds cost and they are also at risk in being subjected to higher CIL levels, if there has been a review in the interim.</p>		<p>Officer comment</p> <p>Regulation 8 defines the time at which planning permission first permits development. In general, it is defined as the day that the planning permission is granted, including the approval of any matters reserved by condition for subsequent approval. In the case of an outline planning permission, it is the date on which the last of the reserved matters is approved. Where phases are subject to separate reserve matters approvals, each reserved matters approval constitutes a separate chargeable development</p> <p>Regulation 8 does not differentiate between different uses granted by the same planning permission. Clearly it follows from the summary above that if different uses were treated as different phases to be initiated by different reserved matters approvals, each would then be a separate chargeable development.</p>	

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		GNDP Supplementary Evidence 12/2011	<p>The appraisals run by GNDP are snapshots only and provide a two dimensional view of the development. During the meetings Savills attended after the Preliminary Draft Charging Schedule responses, we did inform them that developments are actually appraised using three dimensional modelling to take cash flow into account. It is very common for at least 40% of the overall development costs to be payable before a house even begins to take shape. The timing of costs and receipts are therefore crucial to a full appraisal of a site.</p> <p>Conclusion</p> <p>A site appraisal is not robust unless phasing has been taken into consideration. We have therefore carried out appraisals using Argus Developer software which allows a three dimensional approach. We consider, as a result, that our findings are more realistic and in line with market practises, than those provided by GNDP</p>			
		GVA Final Report 12/2011 Para 3.19 Table	<p>SITE ACQUISITION COSTS</p> <p>GVA have provided summaries of their inputs but we consider this to be incomplete. When a developer purchases a site, they are liable for SDLT of up to 4.00% and legal fees. GVA have failed to incorporate these into their appraisals, which artificially enhances the level at which a site is viable for CIL.</p> <p>Conclusion</p> <p>GVA have not allowed for these standard costs which makes their appraisals unsafe. We have allowed for these costs at 0.5% of the purchase price in relation to legal fees and the appropriate level of SDLT.</p>		<p>GVA comment</p> <p>Site Acquisition Costs</p> <p>GVA has assumed Stamp Duty Land Tax in line with government bandings. GVA has also allowed for Agency fees of 1% on top of legal fees of 0.5%, suggesting that we have been more generous than Savills.</p>	
		GVA Final Report 12/2010	<p>BUILD COSTS AND CONTINGENCY</p> <p>GVA failed to take account of rising build costs as a result of both the Building Regulations and the Code for Sustainable Homes. Their view that the additional costs in achieving the required levels would be absorbed by higher house prices and falling costs of sustainable elements is wrong and makes their appraisal unsafe. We attach extracts from the CLG Cost Analysis of the Code for Sustainable Homes report at Appendix 2. This shows the impact on build costs both currently and going forward. Whilst developers hope that purchasers will be persuaded to pay a premium for a sustainable home, there is in fact no substantive evidence to show that this is the case. The extra cost therefore has to be absorbed by the house builder. This situation may change going forward but we are dealing with the current market for the purposes of CIL.</p> <p>As commented on above, GVA assumed that affordable housing is cost neutral which is a totally unreasonable and is a clear indication that they did not have regard to the views of house builders or housing associations. We have demonstrated the current level at which housing associations are prepared to bid for various unit types and these sit at a significant discount to the open market value. The cost of building affordable homes is however just as high, if not higher, than open market dwellings as they have to be built to CfSH Level 3, rising to Level 4.</p> <p>The 250 unit scheme that has been appraised was Scenario 4 within GVA's final report and they adopted a cost of £860 per sq m for this. We consider this to be low generally, particularly bearing in mind the sustainable homes costs. Further, no distinction appears to have been made between the cost of flats and houses as £860 per sq m is low for an all house scheme and is certainly not an average to allow for some flats within the scheme.</p> <p>GVA have allowed 5% for contingency which is in line with the level we usually adopt, based on house builder evidence. We note that GNDP have reduced this to 2.50% as a result of their discussions with the HCA, a local RP and open book appraisals of real schemes by the district valuer. We have had regular dealings with the District Valuer in relation to viability and are</p>		<p>Build Costs and Contingency</p> <p>GVA has lead work on the Peterborough Carbon Challenge (which is being built to Code for Sustainable Homes Level 6) for a number of years, and is therefore highly aware of the costs associated with CSH levels. GVA has used its experience of actual CSH build costs as based on real schemes to inform its viability workings.</p>	

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		GVA Report 08/2011	<p>aware that they take an approach which is out of kilter with the market on a number of inputs. Clearly when developers are at the stage of negotiating a Section 106 on viability, they have already invested heavily in the planning process and want to get approval. They are likely therefore to concede certain points in order to achieve this. It does not mean that it is how they would necessarily appraise the site for purchase purposes. We have however taken a view on this and adopted a mid way figure.</p> <p>GVA's advice does not allow for garages, which will, if forming part of the house, be charged at the full CIL rate. Mott McDonald's findings show that it costs more to build a garage than the value of it, so to exclude these from the appraisal, again, artificially increases the level of CIL that a site can support.</p> <p>Conclusions</p> <p>Although we consider GVA's build cost of £860 per sq m to be light, we have adopted it for the purposes of our appraisal. We have however added in for sustainability and garages to ensure that the full build cost is taken into account to provide a truer reflection of the viability.</p> <p>We have not added in any flats to the 250 unit appraisal, although we consider it likely that it would contain this type of dwelling. We have however carried out a separate appraisal for a central flatted scheme and as this is assumed to be six storeys or over, have adopted a build rate of £1,400 per sq m in line with tender prices we have seen as part of our loan security valuation work.</p> <p>We have adopted 3.00% contingency as reasonable for a straightforward greenfield site, which we assume the 250 unit to be.</p>			
		GVA Final Report 12/2011	<p>WARRANTIES/EPCS</p> <p>GVA has not mentioned these as an input and we therefore assume that they have excluded them, which is incorrect. They are a cost to a house builder and should be included. We are aware that house builders can purchase these at varying costs, depending on their buying power so we have adopted the rate that we know a regional sized operation can achieve, as follows:</p> <p>EPCs - £95 per unit Warranties - £140 per unit</p> <p>SITE SERVICING</p> <p>GVA have indicated that site servicing costs are included in their base build cost of £860 per sq m. Site servicing includes everything necessary to create a site that is ready to develop, including items such as ground works, connecting services and estate roads. These sit outside the items that are attributable to the actual dwelling. In our experience a cost of £247,097 per hectare (£100,000 per acre) is appropriate for a 250 unit scheme but clearly, the rate to be adopted is very much dependent upon the size of the development and what works are required. For large strategic sites, the cost rises to at least £617,742 per hectare (£250,000 per acre).</p> <p>By omitting these additional site costs, GVA have produced appraisals that are fundamentally wrong. With each input that they disregard or deflate, they are enhancing the viability to ensure that they can recommend a high level of CIL. This must be at odds with the instruction given as the Regulations are clear that CIL needs to be at a level that will support and incentivise new development. It appears that they have done their best to try and fill the funding gap as opposed to focusing on viability.</p> <p>We note that in their appraisals, GNDP have allowed for site servicing costs, which would indicate that they disagree with the approach taken by their advisor.</p>		<p>Warranties / EPCS</p> <p>These costs are not included in development toolkits such as the HCA Economic Appraisal Toolkit or the GLA Toolkit which are industry standard toolkits for development viability testing. We have not included these costs in our testing, but would suggest that it is not a common approach to. We would also draw reference to the 'high level' nature of a study such as this.</p> <p>Site Servicing</p> <p>This assertion is incorrect – Please note p.20 of our Report,</p> <p><i>"We have made an allowance for enabling costs, particularly for sites within Norwich City Centre, to reflect the fact that these sites will not be Greenfield sites and an additional cost on top of build cost will be required for site preparation".</i></p>	

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>Conclusions</p> <p>It is standard practice to allow for site servicing costs in an appraisal and so we have in this exercise. We have adopted £247,097 per hectare (£100,000 per acre) for the standard 250 unit scheme but increased this to £617,742 per hectare (£250,000 per acre) to show how a strategic site will fare under the CIL system.</p> <p>PLANNING</p> <p>GVA are clear in their report that the benchmark land values are for sites which are pre planning permission. Despite this they have omitted to include the cost of obtaining planning in their appraisal. Yet again this shows the extreme short comings of their approach. The cost of planning can of course vary from site to site but the planning fee we have adopted has been calculated in accordance with the Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1989.</p> <p>Conclusions</p> <p>If we are benchmarking against land values on the assumption of no planning then the cost of obtaining planning must be incorporated into the appraisal. The planning fee we have adopted has been calculated in accordance with the Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1989 as amended."</p>		<p>Planning</p> <p>This assertion is incorrect – please see p.20 of our Report:</p> <p><i>"The viability appraisals assume that sites are vacant, freehold for which full planning permission and other regulatory consents have been granted."</i></p>	
			<p>PROFESSIONAL FEES</p> <p>GVA have adopted 10% as their input for fees but we consider this to be high. We have adopted 8% to allow for architectural services and project management.</p> <p>SECTION 106 COSTS</p> <p>GVA appear to have omitted any further liability in their appraisal other than CIL and affordable housing. Section 106 obligations will still exist for onsite matters. GNDP have indicated that they have allowed for £750 per open market unit in a £10 per sq m reduction in CIL but their reasoning behind this is not clear and we don't know which standard Section 106 items they have included in this. Norfolk Homes Ltd have recently been negotiating a Section 106 Agreement on a site, not incomparable to our 250 unit scheme. In this they not only have the costs of setting out open space but also commuted maintenance. They also have a travel plan, commuted maintenance on Section 278 Agreements and potentially Section 38 Agreements plus fees. Their view is that this will cost closer to £2,000 per unit, which would make a substantial difference to the level of CIL that could be payable.</p> <p>The situation is worse for strategic sites where you will typically need a new primary school and, if this is on site, CIL won't cover this. A new school would cost in the region of 5million, which on a 1,000 unit site would result in a Seciton106 contribution of £5,000 per unit for that element alone.</p> <p>Having regard to the extraordinary costs in developing strategic sites, the appraisals are woefully light in almost every regard. As most of development coming forward in the GNDP area is tied up in large sites then delivery is going to be a major issue unless CIL is reduced to a viable level.</p> <p>MARKETING AND SALES COSTS</p> <p>GVA have adopted 3.5% of GDV as an over all input to cover these items. We would normally allow 1.5% for agents' fees and 0.5% for legal fees, which would leave just 1% for marketing in this instance which we consider to be light. We have however adopted this in our appraisal.</p>		<p>Officer comment</p> <p>Every site is different with different cash flow and policy will be to allow phasing accordingly</p>	
			<p>FINANCE</p>			

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>GVA have adopted a finance rate of 6.75%. We would normally adopted 6% to 7% so we are in agreement with this input. We have adopted 6% as we assume a house builder taking on a scheme of this size would have a track record and therefore should be able to obtain a more favourable rate of funding.</p>			
			<p>PROFIT</p> <p>GVA have adopted a profit margin of 20% on GDV. This is in line with the market. GNDP have adopted 20% on cost, which would reduce the profit on GDV down to 15%. House builders always align profit to GDV and in view of the risks inherent in house building at the present time, are generally seeking profit of between 20% and 25%. Unless the scheme was a prime location and oven ready in terms of planning, no house builder would consider a profit margin as low as 15%.</p> <p>Conclusion</p> <p>GNDP have ignored the advice given by GVA, Savills/Norfolk Homes and no doubt others when adopting a profit on cost methodology. We have adopted 20% on GDV in line with market expectations.</p>			
		<p>GNDP CIL Viability Advice on CIL/Tariff by GVA: Errata June 2011</p>	<p>LAND VALUES</p> <p>We are concerned at GVA's reaction to the inconsistency in their advice in relation to minimum land values. In their December 2010 report they stated that evidence showed land values along the A11 corridor were on a par with city centre land values but they adopted an A11 corridor rate in line with the lower values achieved in the inner area. GVA's response to this was to merely change the wording to match their adopted rates with no supporting commentary on their failure to take into account the evidence provided by local agents. The benchmark rates are therefore £520,000 per hectare (£210,000 per acre) for the central/inner/A11 corridor area (Zone A) and £495,000 per hectare (£200,000 per acre) for the outer area (Zone B). Viability for CIL was tested against these and it was considered that if the land value was at 25% below these benchmarks or better, then land owners would be minded to sell.</p> <p>The benchmark values are lower than the values put forward by agents at the time of consultation but it is accepted that, with current policy, rising build costs due to CfSH and Building Regulations etc, the agents' views may be too historic to be of great use. However land owners do have expectations that must be managed effectively if land is going to be released in sufficient quantity to allow development to keep up with anticipated housing numbers. They will not necessarily have regard to policy, affordable housing numbers etc, but will make their decision in relation to minimum land value on anecdotal evidence. If the Councils' Members have this approach, it is not unreasonable to assume that others won't.</p> <p>Minimum land values are particularly relevant to bear in mind for strategic land, which will provide a significant proportion of the housing supply to 2026. Their extraordinary servicing costs, phasing and generally lower densities make viability on sites such as these fragile, even before CIL. If GNDP want these sites to come forward they need to have more regard to the sensitivity of these to additional cost than any other scenario.</p> <p>In our experience, a residual appraisal often results in a land value that falls below the level we know the market is prepared to pay. In relation to sites of 300 units or less there is demand for them and we consider that bare land values could be as high as £500,000 per acre, depending on densities and location. A residual, taking into account all the inputs we have listed above would not support this however. In relation to strategic sites, there is no evidence of what the market level would be post 2007. We are therefore having to work on estimates and, on this basis, we consider that the benchmark levels put forward by GVA are as good an estimate as any. We have therefore had regard to these.</p>		<p><u>GVA comment</u></p> <p>Land Values</p> <p>The advice which GVA received from local agents (including Bidwells and Savills) set out that land values in Central Norwich could be up to £600,000 per acre, and land values outside of the City Centre up to £250,000. We have set out previously in the Errata to our Report (dated 22nd June 2011) the results of agent discussions which resulted in us using the following land values:</p> <p>Central Area: £500,000 per acre Inner Area: £210 - £250,000 per acre A11 Corridor: £210 - £250,000 per acre Outer Area: £200,000 per acre</p> <p>We would also note that the figures for the Central, Inner and A11 corridor areas are above employment land (by more than 20% in some cases), thus satisfying an benchmarking approach which has since been accepted as an appropriate methodology during the Examination of the London Mayoral CIL (EUV plus a percentage – in this case 20%). In the Outer Value Area the values we have used are significantly above agricultural land values.</p> <p>GVA has included some allowance for landowner expectation (for example above Existing Use Value). GVA understands landowner expectations as we frequently work with landowners as well as</p>	

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			<p>APPRAISALS</p> <p>We have run two scenarios (with and without CIL) for two appraisals for the 250 unit scheme, one assuming costs relevant to a scheme of this size and the other having regard to strategic costs. The appraisals have been run on Argus Developer software and the reports for each are attached at Appendix 3.</p> <p>The site is assumed to have a gross area of 7.19 hectares, which shows a density of 35 units to the hectare. The open market units extend to 15,030 sq m, allowing for circulation cores within the blocks of flats.</p> <p>Both appraisals assume the following inputs:</p> <ol style="list-style-type: none"> 1. Although we know it to be too low in relation to the market, we have adopted an average unit size of 90 sq m in line with GVA. <p>It should be noted that we believe this to be smaller than the market would adopt but have adopted it to be consistent with GVA's approach where possible. Using a smaller average does however skew the results.</p> <ol style="list-style-type: none"> 2. We have adopted 33% affordable housing in line with policy. 3. Social rented has been priced at 50% of market value, affordable rent at 60% and shared ownership at 75%. <p>We are aware that some RPs will not make bids at this level as they simply cannot afford to. This element of our appraisal is therefore optimistic.</p> <ol style="list-style-type: none"> 4. Build costs are at £80 per sq ft on the housing and £110 per sq ft on the flats. <p>We consider this to be low as it does not account for increases due to CfSH and Building Regulations.</p> <ol style="list-style-type: none"> 5. Market value on the houses has been assessed at £190 per sq ft with flats at £210 per sq ft. 6. NHBC warranties are at £140 per dwelling and EPCs at £95 per dwelling. 7. Contingency at 3%. 8. Profit on GDV at 20%. 9. We have allowed for a net minimum land value of £389,177 per hectare (£157,500 per acre) which is 25% below the benchmark adopted by GVA for the merged central, inner and A11 corridor area. Allowing for netting down at 85%, this gives a gross figure of £133,875 per acre, although this is obviously open to interpretation, depending on open space provision etc. This gives a minimum value across the site of £2,378,958. <p>For the standard 250 unit scheme we have allowed the following:</p> <ol style="list-style-type: none"> 1. Site servicing costs at £100,000 per acre. 2. Section 106 costs at £750 per dwelling. <p>For the strategic site, we have adopted the following:</p> <ol style="list-style-type: none"> 1. Site servicing costs at £250,000 per acre. 2. Section 106 costs at £5,000 per unit. <p>Conclusions</p> <ul style="list-style-type: none"> • A standard site without CIL shows a land value of just over £3 million. This means that there is capacity for a low level CIL if we are to achieve a minimum land value of £2.3 million and sustain a 33% affordable provision. If there is a need to increase CIL to plug a bigger proportion of the funding gap then clearly the affordable housing provision will fall. • Assuming strategic site costs, even without CIL, at 33% affordable the scheme is unviable, our appraisal showing a negative land value. With CIL the situation obviously gets worse. In order to sustain any level of CIL the provision of affordable housing would 		<p>Authorities, however we would proffer that landowners must also accept that without adequate infrastructure (provided through CIL and S.106), land should not be brought forward for development.</p> <p>Appraisals</p> <p>Advice from CLG sets out that a CIL Viability Study should be undertaken at a high level. We have therefore not sought to undertake residual viability appraisals on specific schemes, and we consider that two appraisals do not provide sufficient evidence to undermine a study which has involved the running of thousands of appraisals and development options. Whilst we appreciate that all developments will be subject to different values and costs, we have sought to be as reflective as possible at a high level of the development market, and have used assumptions based on reputable sources (i.e. Land Registry / BCIS / HCA Toolkit).</p> <p>We would also make further comments on the appraisals as follows:</p> <p>The figures used in the appraisals are not 'evidenced' – no source of evidence has been provided</p> <ul style="list-style-type: none"> • Our report sets out that the CIL levels are achievable with at least 20% affordable housing. • GVA included an additional allowance for site servicing in its calculations • By taking a S.106 cost of £5,000 per unit for a strategic site the appraisals have been subject to double-counting • We have been more generous to developers by allowing for a 5% contingency (in line with many toolkits) 	

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			<p>have to be very low.</p> <ul style="list-style-type: none"> It is well known that residual appraisals are only as reliable as the inputs that go in and we are currently at a stage in the market where there are many changes that have not been tested. Whilst we are not saying at this stage what the level of CIL should be, we consider we have provided sufficient evidence to show that the level proposed in the Draft Charging Schedule is excessive and will have a very detrimental effect on the housing numbers coming forward. <p>Addendum to Response</p> <ol style="list-style-type: none"> The Norwich City Council Draft Charging Schedule differs from the other charging schedules within the GNDP area in that it provides an extra tariff for flats in blocks of six storeys and over. The tariff is reduced from £115 per sq m to £100 per sq m. There is no accompanying commentary to explain why the flat tariff has been set at this level but we assume it has stemmed from concerns that this type of scheme is generally developed in the central area on brownfield land with the accompanying high costs. There are potentially a number of larger flatted schemes coming forward within the central area, some of which already have a permission but are likely to revise it so CIL will be a factor. These are: <ul style="list-style-type: none"> Carrow Quarter – Broadland Housing Associations mixed tenure scheme of 200 units. Westlegate Tower – 16 units, potentially from an additional two floors so there will be some net gain. St Ann’s Wharf – 400+ units plus A1 and A3 uses. Wherry Road – 66 units Anglia Square – 93 units Dukes Wharf – current scheme is mainly commercial but likely to seek revision to residential scheme – possibly 200 units. <p>In addition to these, there are some smaller schemes around the city, including King Street, Bishops Bridge Road and Rosary Road. The Deal Ground should also be considered within this section.</p> From the above, it is clear that there is a substantial housing provision at risk if the tariff is set too high. These are all brownfield sites but some have been cleared of buildings and will therefore be subject to CIL on the total developed area. They may however still be subject to remediation and site clearance (i.e. concrete), which will add to the overall construction cost. We would query why the rate has been reduced for blocks of six storeys or more as, in reality, once a steel or concrete frame is required, build costs increase substantially. This relates to blocks of four or more storeys. The inclusion of lifts is also a significant cost. Some of the schemes above will include blocks that are six or more storeys but there will be a range across the site. It is not clear if it is intended to charge one overall rate for a scheme such as this or apportion the tariff according to specific blocks. It is our opinion that the CIL tariff proposed is too high and will stall the development of these brownfield sites in the central area. Even at the height of the market, the affordable housing provision was based on viability and many schemes were approved 		<p>Officer comment</p> <p>There is a further evidence paper to support the tariff for flats which has been set.</p> <p>The viability evidence relating to flats in Norwich has been reviewed. A further evidence paper has been produced. This evidence suggests that based on latest figures there is a more significant increase in build costs for flats of 5 storeys and above. The lower rate of CIL (£100 per sq m) should therefore apply to flats of 5 storeys and above in Norwich.</p> <p>The charging schedule should clarify that the reduced rate of CIL is only for the block itself, not across the whole development.</p>	<p>Change threshold for CIL rate of £100 per sq ft from 6 to 5 storeys for flats in Norwich</p>

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			<p>at sub 20%. If Norwich City Council is seeking, in line with policy, to maintain the level of affordable housing coming forward then, in this more subdued market; it is clear there is very little capacity for additional payments for CIL.</p> <p>9. In order to support this view, we have carried out an appraisal on an actual central scheme that is currently going through the planning system. The viability has therefore been the subject of discussion with the planning authority and we are aware that it has been recommended for approval at just 7.5% affordable provision. It is a 66 unit scheme with blocks of up to 7 storeys on a site with a net area of 0.22 hectares (0.54 acres). We have run the viability of this on three bases:</p> <ul style="list-style-type: none"> • With the recommended affordable provision without CIL • With the recommended affordable provision with CIL • With CIL but no affordable <p>Our inputs and assumptions are generally in line with the agreed viability and are summarised below:</p> <ul style="list-style-type: none"> • GDV based on £2,500 per sq m for the open market units and £1,252 per sq m for the affordable units. • Ground rents on all units at £200 per annum, capitalised at 6%. • Build costs at £1,292 per sq m plus £15,000 per undercroft parking space. • Finance at 7.00% (higher than the housing schemes to reflect the greater risk that lenders perceive in this sector) • Recommended Section 106 contributions totalling £52,621. • Contingency at 3% (lower than agreed viability – 5%) • Professional fees at 8%. • Sales and agents fees at 1.5% • Profit at 20% on GDV. • 21 month construction period with 24 months of sales (optimistic) <p>10. We attach the three appraisals to this addendum and summarise the results below</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Residual Land Value</th> <th>Rate per Hectare (Per Acre)</th> </tr> </thead> <tbody> <tr> <td>7.5% AH/No CIL</td> <td>£123,531</td> <td>£561,504 (£228,761)</td> </tr> <tr> <td>7.5% AH/With CIL</td> <td>-£467,068</td> <td>£- (£-)</td> </tr> <tr> <td>0% AH/With CIL</td> <td>-£262,315</td> <td>£- (£-)</td> </tr> </tbody> </table> <p>11. The GVA report placed a minimum land value of £1,235,500 per hectare (£500,000 per acre) in the central area so it can be seen that at current values and with the higher build costs attributable to apartment blocks, the viability is very fragile, even on the best case scenario as recommended. If this scheme were larger and required demolition or remediation, it is anticipated the picture would be significantly worse. We have carried out a sensitivity test in relation to profit, although for these higher risk developments, profit margins tend to be higher. We have reduced it to 17.5% on GDV (21.21% on cost) and, for the first scenario, this pushes the land value out to £1,600,192 per hectare (£647,598 per acre), a level at which a land owner would be minded to sell. The other two scenarios remain in negative value territory, thus making them unviable.</p> <p>12. We realise that you are not able to look at specific sites but we thought, in selecting this relatively straight forward site, it would set a clear picture on the impact of CIL to developments such as these. We consider that greater investigation needs to be made</p>	Scheme	Residual Land Value	Rate per Hectare (Per Acre)	7.5% AH/No CIL	£123,531	£561,504 (£228,761)	7.5% AH/With CIL	-£467,068	£- (£-)	0% AH/With CIL	-£262,315	£- (£-)			
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			into this sector so an appropriate level can be adopted. We also consider that the reduced rate should be applied on all schemes of 4 storeys and over.			
DCS033	Thomas Eggar on Behalf of Asda Stores Ltd		<p>We act for Adsa Stores Limited, who have asked us to make representations on their behalf in respect of the amended Draft Charging Schedules prepared by the GNDP on behalf of NCC, BDC and SNC.</p> <p>As the Charging Schedules proposed are the same for all three councils (albeit with some variations between areas within the combined districts of the three councils) we will confine these representations to a single set of comments on the collective effect of the three charging Schedules. This is consistent with the approach of the councils, which has been to achieve a universal Charging Schedule co-ordinated amongst the three districts.</p> <p>The councils have made it clear, in their published response to the preliminary charging schedule consultations that in setting the level of CIL charges their only concern is to strike an appropriate balance between the desirability of funding the cost of the infrastructure required to support development from CIL and its potential effects of the economic viability of development.</p> <p>The approach taken to assessing the Charging Schedules does not achieve an appropriate balance between these two objectives. In fact, the disproportionate loading of the CIL upon two limited classes of development: retails uses, especially large convenience goods based retails units of 2,000 sqm gross or more, and residential development, is likely to put the overall development of the area, as identified in the Councils' Joint Core Strategy, at substantial risk.</p> <p>Impact on new district centres The JCS which was adopted on 24th March 2011, identifies the need for new or expanded District Centres in the following areas:</p> <ul style="list-style-type: none"> • The Old Catton, Sprowston, Rackheath, Thorpe St Andrew growth triangle, which will be serviced by a new district centre at Blue Boar Lane and possibly a second district centre elsewhere in the growth triangle. • Expansion of the town centre at Wymondham • Improvements to the town centre and additional employment opportunities at Long Stratton • An enhanced district centre in Easton/Costessey; and • Major enhancements to Norwich City Centre <p>As you are aware, new district centres are usually anchored by an 'anchor store', most often a large convenience goods based store, which is designed to encourage people into the district centre and generate linked trips to near-by stores. The development of a new district centre is often carried out by a developer whose funding or market appraisal for the site is underpinned by letting or operating the anchor store for that development. The cost of developing the district centre as a whole is not commercially viable for the developer without the security of a letting of the anchor store. The attractiveness of the anchor store is determined solely by balancing the cost of the development with the projected revenues for that store. The higher the cost of the development, the less attractive the location in question will become. In the absence of an anchor store, many redevelopment options will not proceed; either because they are not viable, or because there is no draw to bring in additional business or customers.</p> <p>A large proportion of anchor stores in district centres meet the definition of "large convenience goods based stores" as set out in the new charging Schedule i.e. supermarkets and other stores, such as Marks and Spencer, where 50% of the trading floor is designated for the sale of convenience goods. In this scenario, a developer would be liable to pay CIL on the anchor store at a rate of £135 sqm (adding £270,000 to the cost of building a 2,000sq.m store, or £540,000 to a 4,000 sqm store) as well as the various CIL charges falling due on the rest of the district centre development.</p>		<p>Officer comment</p> <p>The proposed charging schedule is not considered to undermine the strategy. There are likely to be few convenience goods stores delivered within the Greater Norwich area over the period of the JCS. This is acknowledged in the objection. It is therefore important that these types of stores contribute to infrastructure at a rate which allows them to be developed. The charges only relate to convenience stores and not comparison goods. The viability evidence produced by GVA suggests that the viability of large convenience goods stores could make a higher rate of CIL still viable. But we have not proposed to adopt these high rates. We have applied a rationale based on local circumstances to produce a rate of £135 per sq m based on viability of convenience stores over 200 sq m. We have chosen to apply a rate of CIL which relates to local circumstances based on sales figures and costs and values for the type of stores which are likely to be built in Greater Norwich. The objection does not provide any viability evidence to support a change in the rate of CIL proposed.</p> <p>The phasing and staged payments approach complies with regulation 69 B of the CIL Regulation 2011. It is not possible to tailor payments to the phasing of individual schemes. The stage payments need to be based on value and timescales for all types of development.</p> <p>The concerns about the approach to setting CIL are not compliant with the CIL Regulations. The regulations are clear that charges need to be based on viability evidence and whilst there is a requirement to demonstrate that there is a funding gap, CIL cannot be based on splitting the costs of infrastructure between the development proposed. There are other sources of funding need to be exploited if the costs of infrastructure are to be met. CIL is unable to meet the full costs on infrastructure in Greater Norwich.</p>	No change

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			<p>Given the current economic conditions, and the relatively poor trading figures of comparison goods-based retailers in the current market, it is unlikely that a comparison goods-based retailer would accept the high development costs of creating a new district centre; or indeed taking a long term letting of a new anchor store. It is equally unlikely that a developer would agree to build a new district centre without first having secured retail tenants, or an occupier for the anchor store. In the absence of a comparison goods-based retail tenant, the additional development costs incurred as a result of £135sq.m levy on large convenience stores, could easily render an otherwise viable District Centre development economically unviable.</p> <p>In any event, the high CIL charges will dissuade a convenience based retailer from agreeing to develop district centres, and will encourage them to seek amore cost effective location in a different local authority. In short, the CIL levy proposed, will make it significantly harder for the councils to deliver the growth and development promised in the JCS.</p> <p><u>Impact on regeneration and employment opportunities</u></p> <p>The JCS also highlights the need to revitalise the local economy within Norwich, increasing the number of local employment opportunities available to residents. The retail sector is one of the most dynamic and innovative sectors within the UK economy. It is also one of the largest employers and the largest creator of new jobs at the present time. ASDA Stores Ltd have a proven track record of investing in and on the edge of town centres and other existing centres, and of creating jobs within these areas. Their stores regularly rejuvenate and regenerate existing centres and the surrounding areas, and draw new shoppers to them, which benefits the existing retailers and those who would open stores un ASDA-anchored centres in their wake.</p> <p>Additionally it should be noted that within the three district economy, over the planned period there is likely to be a very limited number of large format retail stores built. Consequently, reducing the levy proposed per sqm on this floor space would not result in a proportionate increase in the levy required on other forms of commercial or other development. However, applying this levy would run the risk of diminishing substantially the number of such stores built, with a consequential loss of employment opportunities, regeneration, and investment in town and district centres. Again putting at risk the councils' ability to deliver on the objectives set out in the JCS.</p> <p>Similarly, providing a major disincentive and additional cost to investment in major supermarkets at a time when government policy (as to which see the ministerial statement 'Planning for Growth' and the draft National Planning Policy Framework issued on 25 July 2011) is to achieve greater investment in the economy and greater job creation is completely inappropriate.</p> <p><u>Draft Staged Payments Policy and Phased Developments</u></p> <p>While the ability to make staged payment is to be welcomed, the draft staged payments policy. Set out in appendix 4 of the updated 'Background and context' document, overlooks the fact that many major development projects are implemented in phases.</p> <p>As you will be aware, large-scale developments are phased for a number of reasons, most commonly because the revenue generated by the early phases of the development needs to be realised in order to fund the remainder of the scheme.</p> <p>At present staged CIL payments are linked to the period of time that has passed since commencement, rather than the phase of development achieved. This means that any one staged payment could well fall due before the earlier phases of the scheme have started to generate revenue required to fund it, rendering the project economically unviable.</p> <p>We note that, under the CIL regulations, developers are required to serve a notice of commencement of development on the Charging authority, but are not required to notify them of the commencement of individual phases of development. This could, however, be easily addressed through the use of planning conditions or, alternatively, planning obligations</p>			

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			<p>requested through a s.106 agreement.</p> <p><u>Concerns about Council's approach to setting CIL charges</u></p> <p>As we stated in our earlier submissions, the purpose of the CIL is to raise revenue for infrastructure necessary to service development. The rationalisation for the imposition of the CIL was that insufficient monies were being raised through the planning process to fund the infrastructure necessary to provide for the needs of development authorised by planning permissions. While revenue has historically been raised by s.106 .Agreements (and S.52 agreements before those) the revenue collected, it was argued, has been raised disproportionately from a limited number and class of developments, and the majority of (minor) developments that escaped the requirements to enter into a s.106 agreement were either effectively subsidised by larger developments, or were allowed to proceed and individually and cumulatively contributed to infrastructure requirements, without being required to pay for them. The CIL was intended to remedy that imbalance.</p> <p>Against that background, we do not think it an unreasonable approach to see at Community Infrastructure Schedule calculated on the basis of a district-wide (or, as here, three districts-wide) assessment of infrastructure needs, with the estimated total cost of those needs being divided between the total estimated of planned development anticipated for a district (or three districts). That would have at least been a fair and potentially proportionate approach to the issue of raising the CIL and fixing the Charging Schedules. It is noteworthy that this is the approach that has already been adopted by some of the authorities who have already had their charging schedules approved.</p> <p>Instead, the Charging Schedules proposed for the three districts exhibit a fundamental disconnect between the CIL charges proposed and the infrastructure requirements of the developments upon which they are levied.</p> <p>The GNDP has produced a number of supporting documents to seek to justify the CIL Charging Schedules proposed; many of these are prepared by your consultants, GVA. However, the principle work undertaken by GVA appears to be simply to assess each segment of the development economy as a potential 'cash cow' and source of revenue, without carrying out any, or any meaningful exercise to assess the infrastructure likely to arise from any particular class of development.</p> <p>In this connection, we are extremely concerned by the suggestion put forward by GVA as part of the background papers and justification to the three local authorities preparing these charging schedules that a generic superstore developed by an operator would be capable of paying CIL of up to £1,500.00 sqm. This would be a total of nearly £9,7500,000.00 more the 6,500 sqm typical superstore which they consider. This level of contribution is wholly unrealistic and would threaten the ability of operators to make the investment the economy needs.</p> <p>Even at the CIL figure proposed in the Charging Schedules of £135sq.m, the proposed Charging Schedules would add £877,500.00 to the cost of GVA's generic supermarket development. Nowhere in the GVA papers is there any suggestion that this is necessarily the appropriate figure in terms of the related infrastructure costs that a supermarket should be expected to carry. Nor have they made the connection between the development of a supermarket, and the consequential development that often accompanies it, which would also carry a CIL charge. They have concerned themselves only with their (superficial – as they themselves acknowledge) calculations of assumed ability to pay.</p> <p>Given that there is a risk that, at least for an interim period, local authorities will still seek site-specific commitments also under the s.106 regime this represents an unreasonable double-whammy of loading costs onto a very limited category of development.</p> <p>The charges proposed to be levied on large supermarkets (£135sq.m) appear even more</p>			

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			<p>disproportionate when one looks at the remainder of the Charging Schedule where all other forms of development save smaller retail units (£25sq.m) are to be charged at a blanket rate of a relatively nominal £5 sqm.</p> <p>If these Charging Schedules are adopted, there will inevitably be two consequences across the three districts adopting them: firstly, all other forms of development will receive a massive subsidy at the expense of commercial house building and the construction of large supermarkets; and secondly there will be a corresponding disincentive (and market distortion accordingly) to investment in those two sectors of the economy.</p> <p>It is trite economics that ideally taxes should distort the market as little as possible, and allow consumer and market preferences to be expressed in the most natural way possible to achieve optimum market solutions. This is every bit as true in the market for land and the use of land as in all other aspects of the economy. The proposed Charging Schedules being promoted by the Greater Norwich Development Partnership fly in the face of this fundamental principle of taxation. If these Charging Schedules are implemented, they will distort the local market across the three districts; and they will provide a huge disincentive to invest in large format retailing, a significant job creator, at a time when the government is trying to encourage the creation of additional employment across the economy.</p> <p>Proposed changes to the Council's approach.</p> <p>A much fairer solution, accepting for purpose of this argument the premise that the Community Infrastructure Levy is necessary for the purpose of funding district-wide infrastructure, would be to divide the councils' estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that deliverable infrastructure should be included) by the total development floor space and apply a flat rate levy across the district and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.</p> <p>For these reason, we would ask that the Greater Norwich Development Partnership and its constituent local authority undertake a fundamental rethink of their position, and substantially alter their Charging Schedules in so far as they relate to retail development in general and large format retailing in particular.</p> <p>Alternatively, we would request that:</p> <ul style="list-style-type: none"> The CIL charges for large convenience goods based stores be reduces from £135 per square metre, in line with the levy proposed for all other types of retail developments; and <p>The draft stages payments policy be amended so that the staged CIL payments are linked to development phases, rather than to the period of time that has passed since the commencement of development.</p>			
LATE REP DCS034	Morston Assets		<p>We refer to the above recently published draft charging schedule and to raise our concerns about the propose charging schedule for residential development, in particular, within the Norwich urban area.</p> <p>Morston Assets have previously raised objections to the proposed levy for residential development on the basis that there was no distinction between previously developed sites (which generally have higher redevelopment costs) and Greenfield sites within charging zone A.</p> <p>The Partnership's response to our concerns has been to point out that the greater costs of redeveloping brownfield sites will be off-set by the fact CIL is only chargeable on the net increase in floor area. The inference being that all brownfield sites will have a built footprint. However, we are concerned that there are previously developed inner city sites where there is no existing floor area or sites have been previously cleared so that full rate of CIL will chargeable, but additional</p>		<p>Officer comment</p> <p>The scheme for 8 flats has been reviewed (including information provided by Morston Assets on a confidential basis). The appraisal relates to one specific site and it is not a requirement for the viability assessment for CIL purposes to ensure that every single scheme is viable. However having examined the appraisal information it is considered that a viable scheme for the site could be developed. Assumptions about build costs are very</p>	No changes

Respondent id	Respondent Name	Paragraph	Response	Area	Comment	Action
			<p>abnormal costs will not be off-set by a reduction in the levy.</p> <p>Moston Assets are the freehold owner of a small parcel of land (some 58 sqm/0.18 acres), which was used to provide contractors car parking during the construction of residential development at Copenhagen Way. Our intention has always been to redevelop this parcel of land for housing; however, the down turn in the housing market after 2008 has meant that it has remained undeveloped.</p> <p>Notwithstanding we have produced plans for a scheme of 8 No.2 bedroom apartments on this site with a total floor area of 6,451 sq.ft (599 sqm GIA). Based upon this quantum of development our financial appraisal for the site, based upon a 20% profit on-cost margin (the profit margin required by commercial lenders) and taking into account the costs of developing the site, shows a residual land value of £73,586 (approximately £409,000 per acre).</p> <p>However if we apply the proposed residential CIL rate for residential development in zone A (115 per sqm) the land value is effectively wiped out leaving a residential land value of just £4,701 (i.e. £73586 - £115 x 599 sqm).</p> <p>Clearly this demonstrates that the application of CIL at the proposed £115 sqm rate makes this site commercially unviable and will effectively result in the site being mothballed, the implications of which will be that no CIL receipt is generated.</p> <p>We would be happy to provide you with a copy of our appraisal for this site to substantiate our concerns; however, I am sure you appreciate that this contains commercially sensitive material; which we would wish to be treated in confidence.</p> <p>Whilst we understand that you are not required to consider CIL viability on a site by site basis, we are concerned that without any reduction for (cleared) previously developed sites, such as Copenhagen Way, the Partnership's proposed Charging Schedule for residential development will prevent these sites from coming forward, and will be contrary to the City Council's regeneration aspirations.</p> <p>We understand that the GNDP is intending to press ahead with Examination of the draft charging schedule, despite the recent court ruling on the Joint Core Strategy. However, notwithstanding, we would encourage the Council to reconsider its approach to a flat rate for residential development across zone A and would thoroughly support a discounted rate for exemption of vacant brownfield sites within the Norwich urban area.</p>		<p>high and are more akin to a constrained, multi storey, city centre location rather than the site in question. In addition consideration could be given to increasing the number of units accommodated on the site to deliver a viable scheme with CIL. Reducing build cost assumptions to a more realistic level and/or increasing units from 8 to 9 flats would result in a viable scheme with the full rate of CIL. This site appraisal does not provide any evidence to justify a change in the rate of CIL propose.</p>	