

Broadland District Council, South Norfolk District Council, Norwich City Council

Community Infrastructure Levy

Examination in Public
October 2012

Statement of Common Ground on Residential Charging Rates
between
Broadland District Council, South Norfolk District Council, Norwich City Council
and
Savills on behalf of Easton Landowners consortium, Norfolk Homes Ltd and Endurance Estates Ltd

1. This document is a statement of common ground (SoCG). It has been prepared jointly by the Broadland District Council, South Norfolk District Council and Norwich City Council (the councils) and Savills on behalf of Easton Landowners consortium, Norfolk Homes Ltd and Endurance Estates Ltd (Savills).
2. This SoCG sets out areas of agreement between the councils and Savills in relation to the Community Infrastructure Levy Draft Charging Schedules for Broadland South Norfolk and Norwich City (Charging Schedules) subject to Examination on 16 October 2012.
3. Savills on behalf of Easton Landowners consortium, Norfolk Homes Ltd and Endurance Estates Ltd have previously submitted representations on the Charging Schedules. Nothing in this SOCG represents a waiver or withdrawal of those representations by Savills or Easton Landowners consortium, Norfolk Homes Ltd and Endurance Estates Ltd, except where the SOCG expressly states so.
4. As an overriding principle of common ground, the councils and Savills agree that to accord with CIL Regulation 14 CIL rates should not be set at a level which puts at serious risk the viability of development across Broadland South Norfolk and Norwich City.
5. The councils have prepared information that supports continuation with a CIL in advance of adoption of the remitted parts of the Joint Core Strategy. It identifies that with or without the remitted parts of the Joint Core Strategy there remains an infrastructure funding gap. The infrastructure funding gap is of a magnitude to justify charging a rate of CIL, wherever the growth is located.

6. It is agreed that the viability analysis undertaken by the councils' appointed viability consultant, GVA, has tested the impact of CIL rates on the viability of development in conjunction with affordable housing provision. This does not extend to agreement on methodology, assumptions and conclusions.
7. Against this background it is noted that development viability will vary between sites and accordingly this will impact the proportion of affordable housing a site is able to support once a CIL is adopted. This will be tested through the normal site specific viability assessment in accordance with Policy 4: Housing Delivery of the Joint Core Strategy and the policy will be applied flexibly to reflect scheme specific circumstances.
8. The GVA study work suggested that there should be two charging zones; an inner zone (Zone A) centred on Norwich extending into Broadland and South Norfolk and an outer zone (Zone B) covering the remaining rural parts of Broadland and South Norfolk.
9. Through the preparation of CIL the councils held developer forums to keep the private sector informed of progress and allow open discussion on the issues for developers emerging from the introduction of the CIL.
10. As part of the background information, the consultees have been provided with a range of documentation supporting the Draft Charging Schedule, including the Viability Advice on CIL/Tariff for Broadland, Norwich and South Norfolk (GVA, December 2010, EV1), Supplementary Evidence on Residential Viability (December 2011- EV6) and the Background and Context document (GNDDP, October 2011 - EV 8.2; updated February 2012 - EV9). Agreement does not extend to whether this provides sufficient information to provide transparency on the appraisal method and assumptions.
11. The councils have met with Savills on several occasions to discuss the published GVA viability work and have considered further viability work put forward by Savills.
12. The councils, on consideration of representations received both formally and informally through the preparation of the draft charging schedules have discounted the rate for Zone A to £115, a reduction of approximately a third. This reduction was made in recognition of the current situation in the housing market, allowances for residential garages and the state of the economy. This agreement does not extend to the proposed rate of CIL.
13. Norwich City Council, in response to representations received, has specifically recognised the added costs associated with constructing flats in the Norwich City Council charging schedule. It is agreed that a lower rate of CIL is justified for flats (over a certain number of storeys)

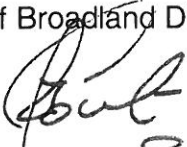
due to the impact on viability of higher build costs and the proportion of shared space.

14. The proposed approach to CIL and S106 is set out in the "Community Infrastructure Levy: Background and Context" document (reference EV9) in particular in Section 10 and the draft "REG 123" list in Appendix 1. This demonstrates the intention to fund all key infrastructure through CIL, albeit that there are items of site specific mitigating infrastructure identified in Appendix 1, to be funded via Section 106 and Section 278 payments.

15. Section 106 payments on sites that are currently delivering residential dwellings are an average of around £5,000 per market unit in both Zones A and B, based on the nine sites in the schedule enclosed at Appendix 1.

16. Strategic locations make up a substantial proportion of the future supply pipeline. The Joint Core Strategy identifies a need for new allocation of 22,730 to 23,660 dwellings to reach delivery targets between 2008 and 2026. As shown in Appendix 2, the JCS identifies strategic growth locations with a capacity of between 9,800 and 14,200 homes, equivalent to between 43% and 62% of future allocations.

Signed on behalf of Broadland District Council:


Position: *HEAD OF PLANNING*

Date *15 OCTOBER 2012*

Signed on behalf of South Norfolk District Council:


Position: *Head of Localism and Growth*

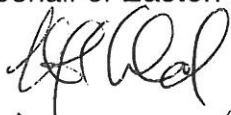
Date *15 October 2012*

Signed on behalf of Norwich City Council:


Position: Head of Planning Services

Date 15 October 2012

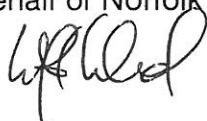
Signed on behalf of Easton Landowners consortium:



Position: DIRECTOR, SAVILLS, FOR EASTON LANDOWNERS CONSORTIUM

Date 16/10/12

Signed on behalf of Norfolk Homes Ltd:



Position: DIRECTOR, SAVILLS, FOR NORFOLK HOMES LTD.

Date 16/10/12

Signed on behalf of Endurance Estates Ltd:



Position: DIRECTOR, SAVILLS, FOR ENDURANCE ESTATES LTD.

Date 16/10/12

GNDP - Section 106 Precedents on Schemes Currently Delivering

Location	Status	Address	Land Type	Schema Type	No of O/M Units	No of AH Units	No of Discount Market	Total No of Units	% of AH	Storeys (If Flats)	S108 Contribution	S106 Contribution Per O/M Unit
Inner	Commenced	Sussex Street, Norwich	Brownfield	Houses/Flats	19	0	0	19	0.00%	2	£35,451	£1,866
Inner	Commenced	Thorpe Road, Norwich	Brownfield	Flats	21	0	0	21	0.00%	3	£23,589	£1,123
Inner	Commenced	Cremorne Lane, Norwich	Brownfield	Houses/Flats	31	13	0	44	29.55%	2	£73,227	£2,362
Inner	Commenced	Fifers Lane, Norwich	Brownfield	Houses	36	15	0	51	29.41%		£78,191	£2,172
Inner	Not Started	School Road, Drayton	Brownfield	Houses/Flats	28	0	0	28	0.00%	2	£88,680	£2,453
Inner	Commenced	Area A Poringland	Greenfield	Houses/Flats	174	58	8	232	25.00%		£689,883	£3,965
Inner	Commenced	Norwich Common P1, Wymondham	Greenfield	Houses/Flats	242	81	0	323	25.08%		£1,600,000	£6,612
Inner	Commenced	Broadland Meadow, Loddon	Brownfield	Houses/Flats	65	22	0	87	25.29%		£198,826	£3,059
Inner	Commenced	Holt Road, Horsford	Brownfield	Houses/Flats	34	30	0	64	48%	2	£109,025	£3,206
Inner	Commenced	Spixworth Road, Old Catton	Greenfield	Houses	27	13	0	40	33%		£126,705	£4,962
Inner					677	232	8	909	25.52%		£3,003,577	£4,437
Outer	Not Started	Aylsham	Greenfield	Houses	167	83		250	33.20%		£1,011,106	£6,055
Outer	Commenced	Mendham Lane, Harleston	Greenfield	Houses/Flats	47	17		64	26.56%		£242,095	£5,151
Outer					214	100	0	314	31.85%		1,253,201	£5,856

Permission pre JCS so no AH

Permission pre JCS so no AH

Appendix 2 to Statement of Common Ground

GNDP - Examination of CIL Charging Schedule

Strategic Locations

According to the Joint Core Strategy, (JCS), allocations will be made to ensure at least 36,820 new homes can be delivered between 2008 and 2026, of which approximately 33,000 will be within the Norwich Policy Area.

New allocations are needed for 22,730 – 23,660 dwellings (table after para. 5.25 of JCS).

Policy 9 identifies strategic growth locations of

- Old Catton, Sprowston, Rackheath and Thorpe St Andrew growth triangle: 7,000 dwellings by 2026 continuing to grow to around 10,000 dwellings eventually
- Easton/Costessey: 1,000 dwellings (proposed to be in 2 locations)
- Cringleford: 1,200 dwellings (although this could be a number of sites and being determined through a Neighbourhood Plan)
- Hethersett: 1,000 dwellings
- Long Stratton: 1,800 dwellings)
- Wymondham: 2,200 dwellings (although this could be a number of sites)

This is a total of 14,200 homes, or 9,800 homes excluding Wymondham, Easton/Costessey and Cringleford, as some of these sites could have different characteristics.

Therefore, between 43% and 62% of the minimum level of future supply is in strategic locations.