Greater Norwich Development Partnership Board

Agenda

Members of the Greater Norwich Development Partnership Board

Representing Broadland District Council
Cllr Stuart Clancy
Cllr Roger Foulger
Cllr Andrew Proctor (Chairman)

Representing Norwich City Council
Cllr Brenda Arthur
Cllr Bert Bremner
Cllr Alan Waters

Representing South Norfolk Council
Cllr Yvonne Bendle
Cllr Derek Blake
Cllr John Fuller

Representing Norfolk County Council
Cllr Derrick Murphy
Cllr Graham Plant
Cllr Ann Steward

Representing Broads Authority
Mr Alan Mallett

Officers

Roger Burroughs	Broadland District Council
Phil Kirby	Broadland District Council
Andrea Long	Broads Authority
Sandra Eastaugh	GND Partnership Manager
Scott Bailey	Homes & Communities Agency
Chris Starkie	New Anglia Local Enterprise Partnership
Andy Wood	New Anglia Local Enterprise Partnership
Richard Doleman	Norfolk County Council
Mike Jackson	Norfolk County Council
Phil Morris	Norfolk County Council
Mike Burrell	Norwich City Council
Jerry Massey	Norwich City Council
Graham Nelson	Norwich City Council
Tim Horspole	South Norfolk Council
Andy Radford	South Norfolk Council

Date
Thursday 15 December 2011

Time
10am

Place
Council Chamber
City Hall
Norwich

Contact
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DECLARATIONS OF INTEREST AT MEETINGS – FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF

MEETING: **DATE:**

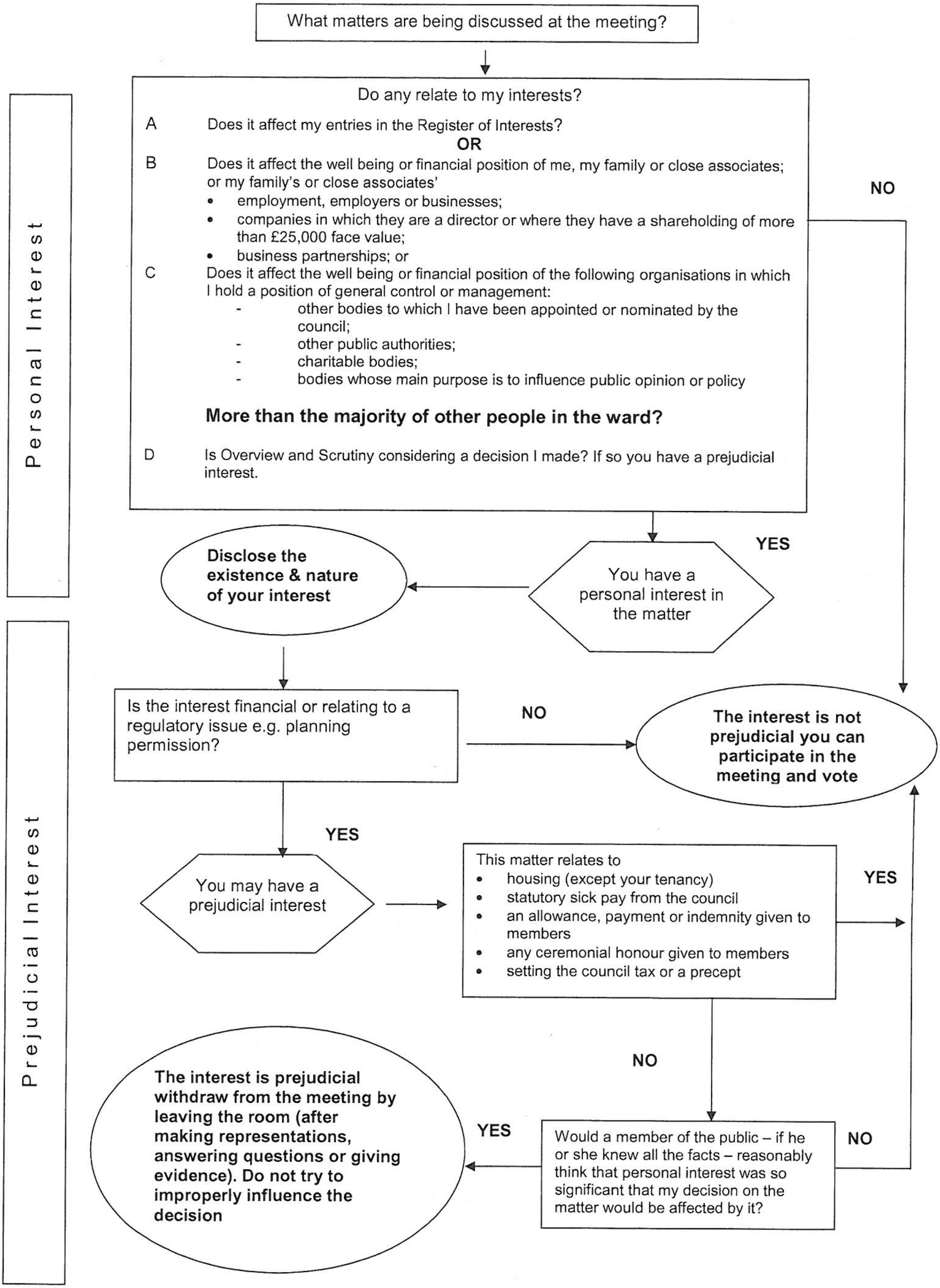
ITEM NO:		**AND TITLE:**

NATURE OF INTEREST: (Please write in this space a description of your interest)

	YES	NO
Is (or should) the Interest be registered in the Register of Members' Interests?		
If not, whose well being or financial position is affected to a greater extent than the majority of other people in the ward?		
Your own		
A family member (state name)		
A close associate (state name)		
Any person or body who has employed or appointed your family member/close associate (state name)		
Any firm in which your family member/close associate is a partner or company of which they are directors (state name)		
Any company in which your family member/close associate has shares with a face value more than £25,000 (state name)		
Any of the following in which you hold a position of general control or management: outside organisations, other public authorities, charities, pressure groups, political parties or trade unions (state name)		
Does the interest (a) affect your financial position or the financial position of a person or body described above? ***(If Yes the interest may be prejudicial)*** (b) relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described above? ***(If Yes the interest may be prejudicial)*** (c) relate to scrutiny by the Overview and Scrutiny committee of a decision you were party to? ***(If Yes the interest is prejudicial)*** (d) relate to the functions of the council in respect of housing (except your tenancy), statutory sick pay, an allowance, payment or indemnity given to members, any ceremonial honour given to members, or setting the council tax or a precept under the Local Government Finance Act 1992. ***(If Yes the interest is NOT PREJUDICIAL)***		
PREJUDICIAL INTEREST If you answered Yes to (a) or (b) is the interest one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that that it is likely to prejudice your judgement of the public interest? **If Yes the interest is PREJUDICIAL If you answered Yes to (c) the interest is PREJUDICIAL**		
If prejudicial do you intend to attend the meeting to make representations, answer questions or give evidence?		

Signed: ______________________________ **Date:** ________________

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA

		Page No
1	**To receive declarations of interest**	
2	**Apologies for absence**	
3	**Chairman's Introduction**	
4	**JCS - Legal Challenge** To receive a verbal update by Phil Kirby	
5	**Preparation of Five Year Investment Plan** To receive a presentation and consider a supporting paper and outline of a brief for Financial Advisor support.	**to follow**
6	**Community Infrastructure Levy – Results on Consultation on Preliminary Draft Charging Schedules and Next Steps** To consider the results of the consultation undertaken on a preliminary draft charging schedule and a subsequent course of action	**1-98**
7	**GNDP Response to Central Government Consultation on CIL Detailed Proposals and Draft Regulations for Reform** To agree a response on the consultation for CIL detailed proposals and draft regulations for reform	**to follow**
8	**Summary of Growth Projects** To note the capital project summary	**99-100**
9	**Growing Places Fund** To receive a verbal update from the Chairman of the LEP Background papers attached	**101-131**
10	**Dates of Future Meetings** To agree the following dates for 2012: 15 March 24 May 20 September 13 December	

Community Infrastructure Levy – Results of Consultation on Preliminary Draft Charging Schedules and Next Steps

Report by: GNDP Directors

Summary

This report outlines the results of the consultation undertaken on a preliminary draft charging schedule in October/November, 2011, and recommends a course of action.

Recommendation / Action Required

It is recommended that subject to some amendments to take account of the outcome of consultation, and further evidence gathered, the draft charging schedules and supporting documents should be published to invite formal representations which would be considered at a public examination. The Board is recommended to commend this course of action to the GNDP partner authorities.

1. Background

1.1. The Cabinets of the constituent authorities of the GNDP considered a report outlining steps which could result in the adoption of a community infrastructure levy (CIL) by the Councils of Broadland, Norwich and South Norfolk, as charging authorities under the CIL legislation. The meeting dates were:

- Broadland District Council Cabinet: 30 August 2011
- Norwich City Council: 21 September 2011
- South Norfolk Council: 5 September 2011

The report was also considered by the cabinet of Norfolk County Council at its meeting on 12 September 2011.

1.2. The report was supported by a number of documents:

- Preliminary draft charging schedules for each of the potential charging authorities
- A background and context document
- Viability advice received from GVA
- Charging zones evidence produced by GVA
- A green infrastructure topic paper clarifying the revised assumptions on the scale and cost of green infrastructure to underpin the evidence justifying a CIL

1.3. In addition, further evidence in the form of a "working" Local Investment Plan and Programme for Broadland, Norwich and South Norfolk had been considered earlier. Cabinets were also advised that there was a substantial body of evidence on the scale and nature of infrastructure needed, and indicative costs which had been produced for and tested through the examination in public into the Joint Core Strategy (JCS).

2. Consultation

2.1. Consultation was undertaken on the draft charging schedules and supporting documentation in October and November. Principally, this was undertaken through a written consultation between the 3 October and 14 November 2011. This included approximately 4000 addresses including development interests, interest groups, business interests as well as neighbourhood groups and Town and Parish Councils.

2.2. As the consultation coincided with local development framework consultations being undertaken by both Broadland and South Norfolk Councils, the opportunity was taken to publicise the CIL consultation further through the exhibitions associated with these events.

2.3. This resulted in 79 responses. These are summarised, with officer comments and recommendations for actions where considered appropriate in Appendix 1. A detailed paper setting out the individual responses, with officer comments and recommendations for amendments to the charging schedules or supporting documentation, has been prepared as a background paper to this report.

2.4. Simultaneously, the Government is consulting on potential changes to the CIL regulations primarily to take account of the localism agenda, and the possibility of using CIL receipts to fund affordable housing. It is proposed to submit a joint GNDP response to the consultation (please refer to item 7 on the agenda).

3. Next steps

3.1 Following the response to the consultation and further evidence on viability, a number of changes to the charging schedules and the document Community Infrastructure Levy: Background and Context are recommended. The changes and the detailed reasoning behind them are detailed in appendices 3, 4 and 5.

3.2 In summary there are 3 proposed changes to the charging schedules.

1. A change in the residential charge in Zone A. The Partnership consulted on a range of £135 - £160 per square metre. A rate of £115 per square metre is recommended.
2. The inclusion of domestic garages in the residential charging rates for Zone A and Zone B.
3. The inclusion of fire and rescue stations, ambulance and police stations which are sui generis within the same rate as uses falling under C2, C2A and D1 (£0 per square metre).

3.3 A critical consideration remains the status of the JCS. The outstanding legal challenge was heard in the High Court on 6 and 7 December 2011. If the outcome is known, it will be reported orally.

3.4 The indicative timetable to submission is shown below:

3 Jan 2012	Norfolk County Council Cabinet to consider publication documents
5 Jan 2012	Broadland District Council to consider publication
31 Jan 2012	Norwich City Council to consider publication
Date to be confirmed	South Norfolk Council to consider publication
6 Feb 2012 – 5 Mar 2012	**Publication**
22 Mar 2012	Broadland District Council to consider submission
20 Mar 2012	Norwich City Council to consider submission
Date to be confirmed	South Norfolk Council to consider submission
26 Mar 2012	**Submission**

3.5 The process to adopting a CIL will entail:

- Appointment of Independent Examiner and Programme Officer and arrangement of venue
- Publication of draft charging schedules, evidence and guidance on how to make representations, including publication on web sites, advertisement and notification to relevant parties
- Submission of representations. It is not a formal requirement, but it would be prudent at this time, for the Partnership and constituent councils to consider the representations received before formal submission of the representations and documentation and to the Examiner
- Submission of documentation, including representations received, to the Examiner
- Consideration of representations by the Examiner, either in writing or in person. It is possible for three charging schedules to be considered at a single examination
- Publication of the Examiner's report
- Formal approval of the charging schedules and implementation of CIL

3.5 The Planning Inspectorate advise that the examination of CIL will take around 20 weeks, subject to this it is expected that adoption could be achieved in November 2012.

4. Key issues emerging from the consultation - headlines

4.1 There are a number of common themes raised in the responses. These can be summarised as

1. Viability and Challenges to the credibility of the viability evidence - the development industry has generally, though not universally, raised concerns that

the proposed level of CIL will threaten the viability of development. This has prompted some further consideration including an examination of what other authorities are proposing to charge. Appendix 5 includes some comparative work looking at other charging schedules. It has also resulted in some dialogue with individual members of the developer forum set up to act as a sounding board during the preparation of the preliminary draft charging schedules. This has led to some testing of the assumptions used in a sample developers' viability spreadsheet. A topic paper summarising this work is attached as Appendix 2.

2. Localism – some Parish Councils have questioned the level of CIL likely to be passed to local communities, and whether this will represent a reduction in their ability to provide local facilities compared with the traditional section 106 route. This is not strictly a part of the charging schedule, but a figure of 5% of receipts, net of administration cost, was included in the consultation papers to illustrate current thinking. In practice, the Government's current consultation on localism appears likely to result in a nationally set minimum proportion to be passed to local communities, and the outcome of this will need to be taken into account in coming to local arrangements.
3. Challenges to the credibility of the different charging zones for residential development.
4. The charging rates for non residential uses, including community uses.
5. The draft phasing policy – early informal advice from CLG indicated that a payment staging policy of the kind originally contemplated which differentiated between land uses, and which related payment to progress of development would not comply with regulations. For this reason the indicative staging policy included within the consultation papers related only to the timing of payments and the proportion of CIL payable at each stage for different bands of total CIL charge. Some consultees have expressed the view this is too front loaded, and could reduce some schemes' viability. If Members are minded to agree that this should be modified, there are two alternative ways in which this might be done. The first is simply to extend the time periods. The second is to reduce the proportion of CIL payable at early stages. The proposed changes adopt the second approach.
6. The approach to charging for garages – while it is clear that garages are CIL – liable, it has not been common practice in those charging schedules consulted on or published elsewhere to differentiate between garages and the dwellings they serve. It may simplify the calculation process if in-curtilage garage payments are subsumed into the overall payment for dwellings. This will necessitate a downward adjustment of the "headline" charge for dwellings to take account of the additional floorspace. The costs for "decked" garages within flatted developments cannot readily be used for other purposes by individual householders, and it is recommended that these remain at a nominal charge.
7. Payment in kind

5. Appendices

5.1 Detailed responses to many of the issues raised are included in the appendices to this report. These are:

1. Community Infrastructure Levy - Regulation 15: Report of Consultation
2. Background paper on Viability
3. Summary of changes to Charging schedules and to Community Infrastructure Levy: Background and Context.
4. Charging Schedules for Broadland/South Norfolk and Norwich showing changes were recommended
5. Background and context document showing changes where recommended
6. Summary of CIL charges proposed elsewhere

6. Resource Implications

6.1. **Finance :** CIL has the potential to make a significant contribution to the funding of infrastructure to deliver the Joint Core Strategy for Broadland, Norwich and South Norfolk.

6.2. **Staff :** There are no immediate staff implications but there will be future issues relating to management of income and delivery of infrastructure once CIL is adopted.

6.3. **Property :** No direct implications of this report

6.4. **IT :** No direct implications of this report

7. Other Implications

7.1. **Legal Implications :**

7.2. **Human Rights :** None at this stage

7.3. **Equality Impact Assessment (EqIA):** is not required at this stage**.**

7.4. **Communications :** Communication implications are described in section 6.1 of this report.

7.5. **Health and safety implications :** None at this stage

7.6. **Any other implications :** Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

8. Section 17 – Crime and Disorder Act

8.1. There are no immediate implications

9. Risk Implications/Assessment

9.1. There are no immediate implications

Recommendation / Action Required

(i) That the constituent partner authorities be recommended to proceed towards the publication of draft charging schedules for the three charging authorities, incorporating the changes recommended to the documents set out in appendices 2 and 3, subject to any variation the Board may wish to make.

(ii) That the constituent partner authorities be recommended to agree the Background and Context Document incorporating the changes as set out in appendix 4.

(iii) That the constituent partner authorities be recommended to work towards the timetable outlined above.

(iv) That the constituent partner authorities be recommended to note the charges as sought by other authorities as set out in appendix 5.

(v) That the constituent authorities be recommended to agree that any minor changes to ensure consistency and clarity be delegated to the Director representative on the GNDP Board following discussion with the relevant portfolio holder.

Background Papers

1. Local Investment Plan and Programme for Broadland, Norwich and South Norfolk – Progress Update
2. Document setting out individual responses, with officer comments and recommendations for change where considered appropriate.

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

Name	Telephone Number	Email address
Roger Burroughs	01603 430558	Roger.burroughs@broadland.gov.uk
Gwyn Jones	01603 212364	gwynjones@norwich.gov.uk
Carole Baker	01603 533807	cbaker@s-norfolk.gov.uk
Phil Morris	01603 222730	Phil.morris@norfolk.gov.uk

Greater Norwich Development Partnership

Community Infrastructure Levy: Preliminary Draft Charging Schedules for Broadland, Norwich and South Norfolk

Regulation 15: Report of Consultation

1. Executive Summary

1.1 Consultation on the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedules for Broadland, Norwich and South Norfolk ran from 3 October 2011 to 14 November 2011. This document sets out the methods of consultation. It provides a summary of the main points raised in the responses to the consultation.

1.2 The key issues to emerge from the consultation are:

- The approach to residential charging zones
- The charging rates for residential development
- The charging rates for non-residential uses
- The draft phasing policy
- The viability of garage development
- Payment in kind
- Impact of localism

2. Introduction

2.1 The Partnership was keen to receive as many comments as possible and promoted the consultation by:

- Sending the consultation materials to all neighbouring authorities and Parish and Town Councils in the three district area. Further copies were also sent to the Department for Communities and Local Government.
- A new webpage on the GNDP website, www.gndp.org.uk, which included download copies of the consultation material and the evidence base.
- Adverts in the EDP and Evening News on 3 October and 31 October
- Adverts in the Beccles & Bungay Journal, Diss Mercury, Great Yarmouth Mercury, Lowestoft Journal, North Norfolk News, Norwich Advertiser, Wymondham and Attleborough Mercury on 30 September and 28 October
- Over 4000 letters and e-mails to organisations, businesses; housing providers and individuals on the three districts Local Development Framework consultation database. Correspondence included a link to the website and a contact telephone number.

2.2 The Partnership also gave presentations to various groups, including:

- Coltishall Parish Council
- Cringleford Parish Council
- Old Catton Parish Council
- Redenhall and Harleston Town Council
- Norfolk Chamber of Business and Commerce
- Norfolk Associaton of Local Councils

2.3 Appendix 2 includes copies of the consultation letters, the press adverts and reminders and the consultation webpage.

2.4 The GNDP office received 19 direct enquiries during the consultation period.

2.5 A total of 79 responses were received to the consultation. A list of respondents can be found in the table below. Copies of all representations are available on the GNDP website, www.gndp.org.uk.

2.6 A complete list of respondents and the issues they responded to are in appendix 1. A document ‘Regulation 15: consultation responses and officer response’ containing the full responses to the consultation and the officer response has also been prepared.

Name	**Ref**
Service Providers/ statutory agencies	
Anglian Water	CIL016
English Heritage	CIL064
Environment Agency	CIL059
Natural England	CIL028
Norfolk Biodiversity Partnership	CIL043

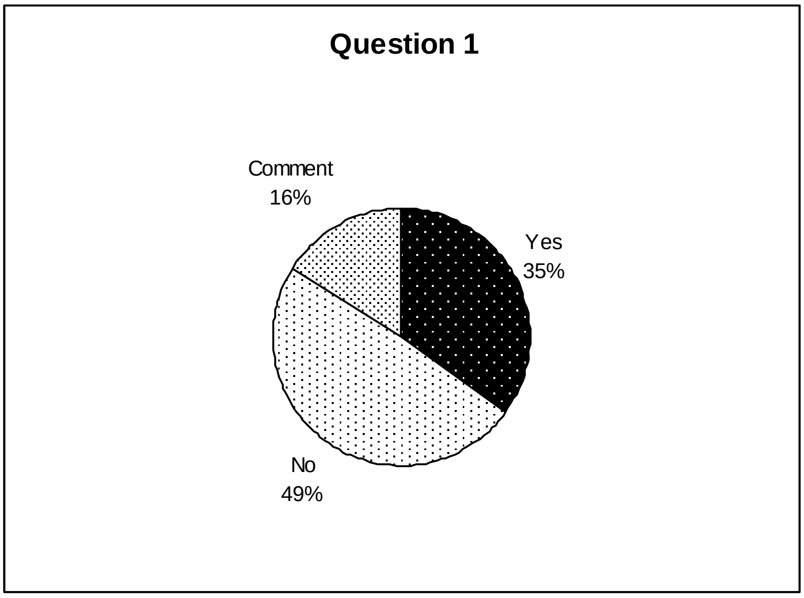
Name	Ref
Norfolk Fire and Rescue Service	CIL025
Norfolk Geodiversity Partnership	CIL018
Sport England	CIL024
The Theatres Trust	CIL023
Water Management Alliance	CIL044
Neighbouring Authorities	
Capita Symonds on behalf of Breckland Council	CIL035
North Norfolk District Council	CIL030
Parish and Town Councils	
Ashby St Mary Parish Council	CIL048
Aslacton Parish Council	CIL077
Aylsham Town Council	CIL054
Blofield Parish Council	CIL042
Broome Parish Council	CIL079
Brundall Parish Council	CIL075
Bunwell Parish Council	CIL068
Cringleford Parish Council	CIL070
Dickleburgh and Rushall Parish Council	CIL050
Diss Town Council	CIL053
Hales & Heckingham Parish Council	CIL036
Hainford Parish Council	CIL008
Hempnall Parish Council	CIL010
Hevingham Parish Council	CIL011
Horsford Parish Council	CIL027
Kirby Cane & Ellingham Parish Council	CIL021
Long Stratton Parish Council	CIL071
Marlingford and Colton Parish Council	CIL026
Newton Flotman Parish Council	CIL034
Norton Subcourse Parish Council	CIL031
Old Catton Parish Council	CIL065
Postwick and Witton Parish Council	CIL020
Redenhall with Harleston Town Council	CIL067
Roydon Parish Clerk	CIL013
Salhouse Parish Council	CIL032
South Walsham Parish Council	CIL078
Spixworth Parish Council	CIL051
Sprowston Town Council	CIL015
Stockton Parish Meeting	CIL009
Stratton Strawless Parish Council	CIL007
Talconeston Parish Council	CIL037
Tasburgh Parish Council	CIL017
Taverham Parish Council	CIL074
Thurton Parish Council	CIL006a and b
Wroxham Parish Council	CIL046

Name	Ref
Community organisations	
Broadland Community Partnership	CIL069
Eaton and University Community Forum	CIL060
Norfolk Rural Community Council	CIL057
Richard Williams on behalf of Stop Norwich Urbanisation	CIL058
Stephen Heard on behalf of Stop Norwich Urbanisation	CIL055
Templemere Residents Association	CIL014
Agents/ Developers/ Landowners	
Beyond Green Ltd	CIL047
Ewings Rentals	CIL005
IE Homes & Property Ltd	CIL019
Indigo Planning Ltd on behalf of Sainsbury's Supermarkets	CIL061
Ivins, H	CIL038
Morston Assets	CIL045
Peacock Smith on behalf of W M Morrison Supermarkets plc	CIL022
Ptarmigan Land Ltd	CIL040
Savills (L&P) Ltd on behalf of Easton Landowners Consortium in conjunction with Norfolk Homes and Endurance Estates	CIL062
Savills (L&P) Ltd on behalf of Mr Ian Alston, Honingham Thorpe Farms	CIL041
Sida, M	CIL033
The Leeder Family	CIL063
The Planning Bureau on behalf of McCarthy and Stone	CIL072
Thomas Eggar LLP on behalf of Asda	CIL056
Thorpe and Felthorpe Trust	CIL049
Town Planning Intelligence on behalf of Zurich Assurance	CIL052
United Business and Leisure Ltd and Landowners Group	CIL076
Wilkinson Builders	CIL001
Willow Builders	CIL012
Registered Providers	
Orbit Homes	CIL029
Interest groups	
Country Land & Business Association Ltd	CIL004
CPRE Norfolk	CIL003
Norfolk and Norwich Transport Action Group	CIL039
Residents	
Harris, Mr R.A	CIL073
Newberry, Mr E A	CIL002
Walker, Mr A.B	CIL066

3. Summary of issues raised and response

Question 1:	Having considered the evidence do you agree the appropriate balance between the desirability of funding from CIL and impacts on the economic viability have been met?

Total number of responses to Question 1: 38



Key issues raised

- A number of responses questioned whether the overall residential rate was right.
- Other responses questioned the evidence for two residential zones.

Response

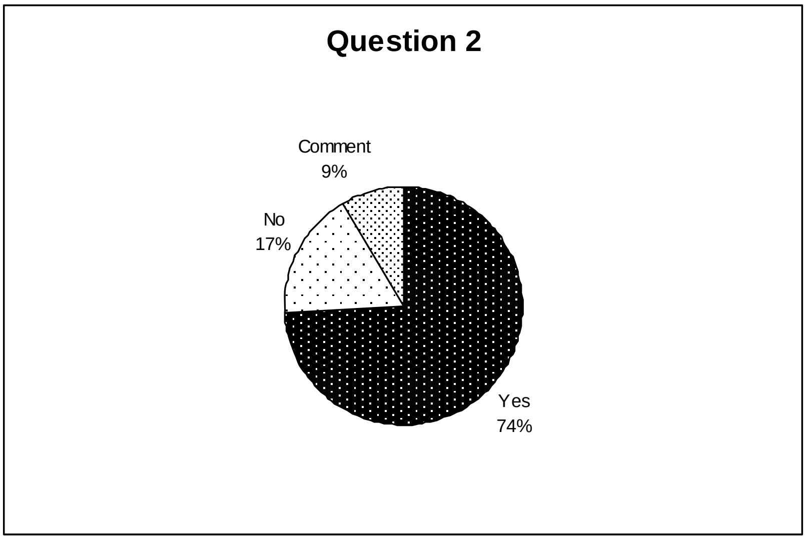
- The evidence supports two charging zones for a residential levy. The Partnership has undertaken further work to understand the detailed analysis that underpins the viability evidence, published separately.

Action

- Review the proposed residential charges

Question 2:	It is intended that, for non-residential development, one charging area will apply to the administrative areas of Broadland District Council, Norwich City Council and South Norfolk Council. Do you agree with this approach?

Total number of responses to Question 2: 35



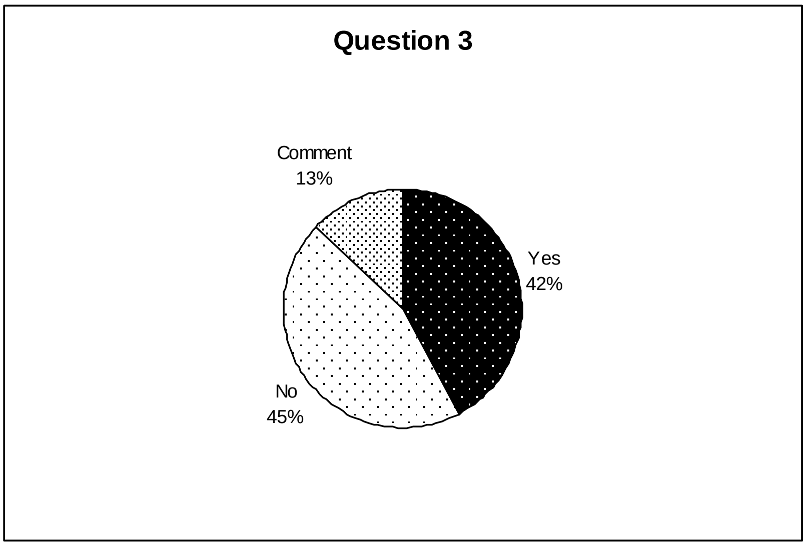
Key issues raised
- Most respondents support the single zone approach
- Some support for introducing a zonal approach

Response
- The viability of non-residential development is highly variable. This means a zonal approach is not appropriate.

Action
- No change

Question 3:	The viability evidence supports two charging zones for residential development, Zone A and Zone B. The Norwich City Council area falls entirely in Zone A. Broadland District Council and South Norfolk Council areas are within Zone A and Zone B. Do you agree with the boundaries for the charging zones?

Total number of responses to Question 3: 38



Key issues raised

- Concern has been raised that having a boundary with differing charging zones and rates will incentivise development to occur in the outer zone (Zone B) as the CIL rate is less in the outer zone.
- Two representations consider that the rates should reflect the costs associated with development on brownfield sites or previously developed land. One proposes a further inner city rate and the other is less clear on the remedy.
- Some respondents assumed that the charging zones boundary also applied to infrastructure spend.
- There was some support for more zones and a more graduated transition between the rates proposed in zone A and B.
- Others felt that the evidence did not support the boundary proposed and in, some instances, suggested local modifications.

Response

- The Joint Core Strategy offers policy protection and sets development limits for settlements. Consequently planning policy not CIL policy guides development.
- The projects that CIL will contribute across the three district area are identified in the Greater Norwich Development Partnership Local Investment Plan and Programme – a 'living' document that is updated regularly.
- The boundary is supported by the evidence.

Actions
- No change

Question 4a: It is intended that the rate of charge for residential development in Zone A will be within a range of £135 to £160 per m2. What do you think the rate should be? **Question 4b:** What is your justification for this rate?

Total number of responses to Question 4a: 25
Total number of responses to Question 4b: 26 responses

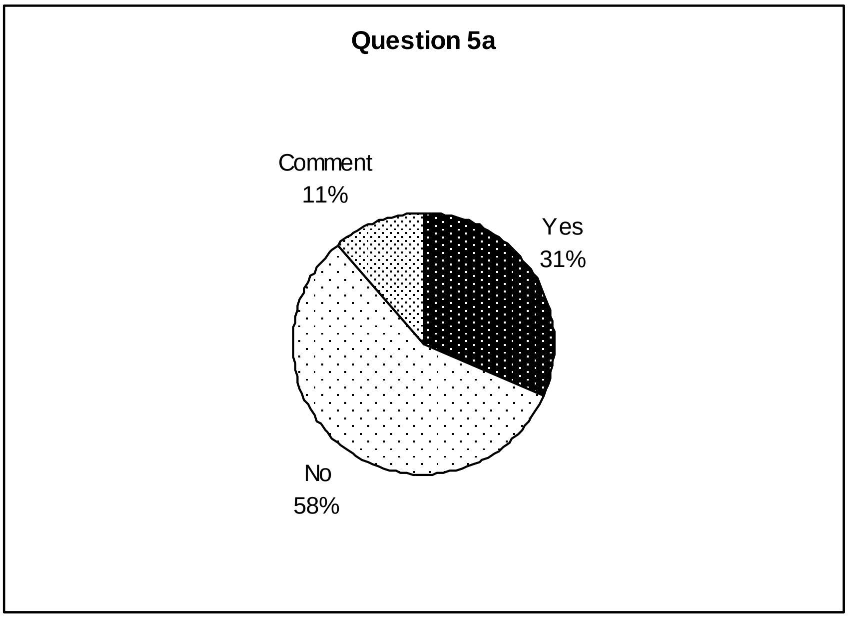
Key issues raised
- Some respondents thought that the rate was too low and these views were generally expressed in the context of CIL being able to fund the infrastructure required for growth.
- Others felt that the rate is too high predominately these were those concerned with the development of sites and felt that a high rate of CIL would disincentivise development by rendering sites unviable.
- There was a view expressed that there should be a lower rate in Norwich city centre to express the specific costs associated with the development of Brownfield sites.

Response
- Regulation 14 of Community Infrastructure Regulations 2010 (as amended) states:
  14. - (1) In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between—
  (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
  (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.
- The Partnership, in response to early feedback from the development industry undertook further work to understand the detailed analysis that underpins the viability evidence.
- The Partnership acknowledges the costs associated with brownfield development; however these sites will also avoid many of the costs that greenfield sites must bear such as site access and connection to utilities. Brownfield development will also benefit from relief from the levy where there is an existing use on site.

Action
- Review proposed residential CIL rates taking account of latest evidence.

Question 5a:	It is intended that the rate of charge for residential development in the Zone B will be £75 per m2. Do you agree with this approach?
Question 5b:	What should the charge be?

Total number of responses to Question 5a: 35
Total number of responses to Question 5b: 18



Key issues raised

- A number of respondents indicated the rate should be higher and probably equal to the rate of zone A.
- There was a feeling that the evidence did not support such a differential rate and that by setting a lower rate in Zone B, development in that area was not fairly contributing to the cost of infrastructure provision.
- There was also a concern that the proposed lower rate in Zone B would make it more attractive for development.

Response

- The Partnership, in response to early feedback from the development industry undertook further work to understand the detailed analysis that underpins the viability evidence.

Action

- Review proposed residential CIL rates taking account of latest evidence.

Question 6a:	It is intended that the rate of charge for domestic garages (excluding shared-user garages) in Zones A and B will be within a range of £25 to £35 per m2. What do you think the rate should be?
Question 6b:	What is your justification for this rate?

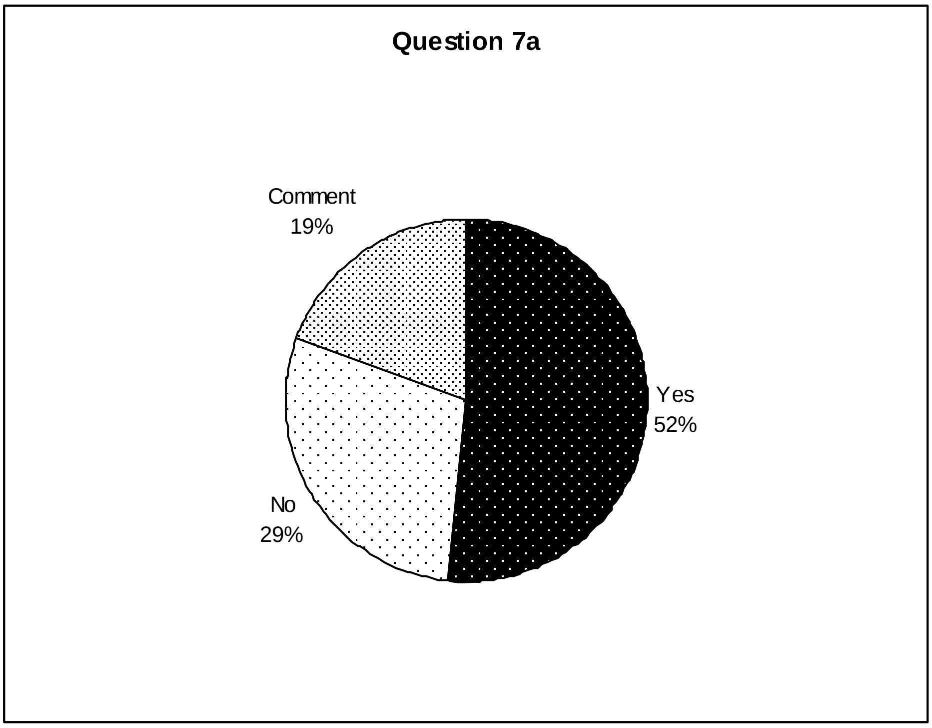
Total number of responses to Question 6a: 24 responses
Total number of responses to Question 6b: 25 responses

- Many responses – particularly those from parish councils thought that parking was a problem in new developments and that the construction of a garage should not be discouraged through a CIL.
- Some support for the proposed rates
- The charge is not supported by viability evidence which indicates that garages do not add to viability.
- Some suggestions that the same rate should apply for residential and garages

Response and action
Review the charge for domestic garages.

Question 7a: It is intended that the rate of charge for large convenience goods based supermarkets and superstores of 2,000m2 gross or more will be £135 per m2. Do you agree with this approach? **Question 7b:** If you answered no to the above question, What should the charge be?

Total number of responses to Question 7a: 31
Total number of responses to Question 7b: 9



Key issues

- The majority of respondents agree with the rate proposed or suggest it should be higher.
- A few (mainly parish councils) did not feel qualified to comment. The general consensus from non supermarket operators/ developers (including residential developers) is that the rate proposed is too low.
- Supermarket operators/ developers consider the rate is too high. There is no new evidence provided to justify an increase or decrease in rates although notional information about land values and the cost of s.106 requirements are mentioned.
- There is some confusion about the method of calculating the rate of CIL- representations suggest it should be based on the impact of the development or the cost of infrastructure rather than viability of particular types of development, as required by the regulations.

Response

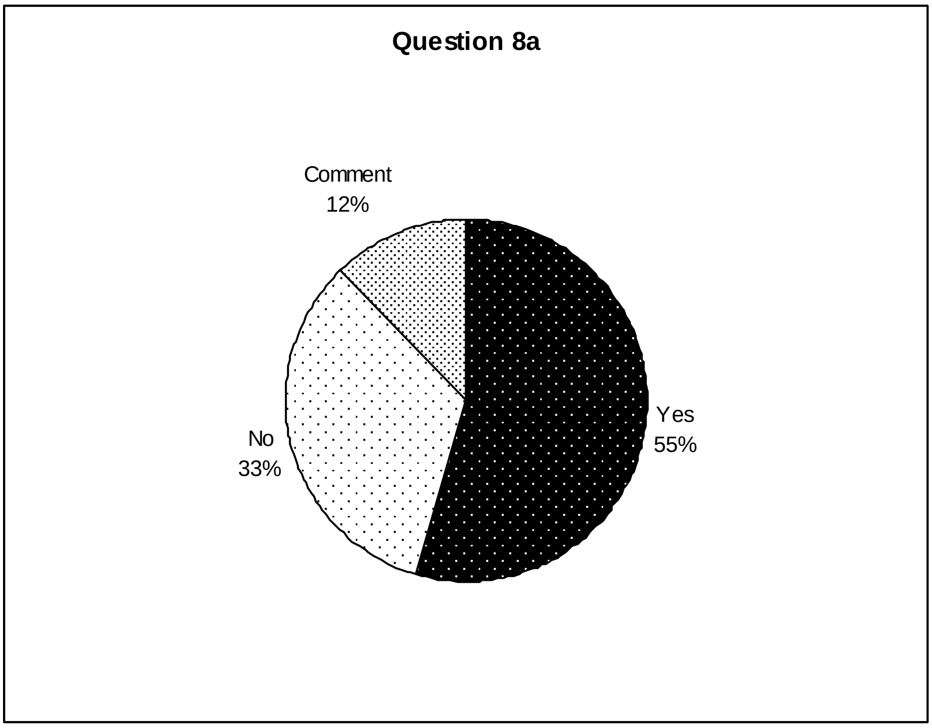
- No further evidence was submitted to contradict the Partnerships existing viability evidence.

Action

- No change

Question 8a:	It is intended that the rate of charge for all other retail and assembly and leisure developments will be £25 per m2 (including shared user garages). Do you agree with this approach?
Question 8b:	If you answered no to the above question, what should the charge be?

Total number of responses to Question 8a: 33
Total number of responses to Question 8b: 11



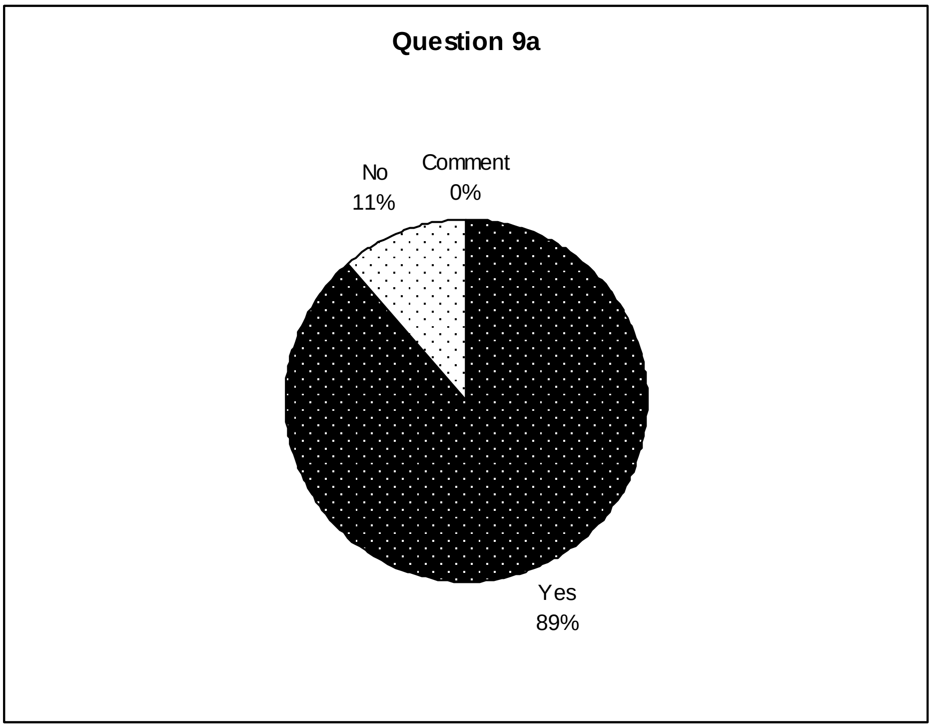
Key issues raised
- A wide range of issues were received with rates suggested from nil to the same rate as residential development.
- Some respondents felt a varied rate should be applied to different uses for example, some respondents thought the rate should be nil in rural areas to encourage rural retail.

Response
- The Community Infrastructure Regulations 2010 (as amended) do not allow for CIL to be used to support Policy and no viability evidence was submitted to support this view.

Action
- No change

Question 9a:	It is intended that the rates of charge for all other Community Uses will be £0 per m2. Do you agree with this approach?
Question 9b:	If you answered no to the above question, what should the charge be?

Total number of responses to Question 9a: 35
Total number of responses to Question 9b: 4



Key issues raised

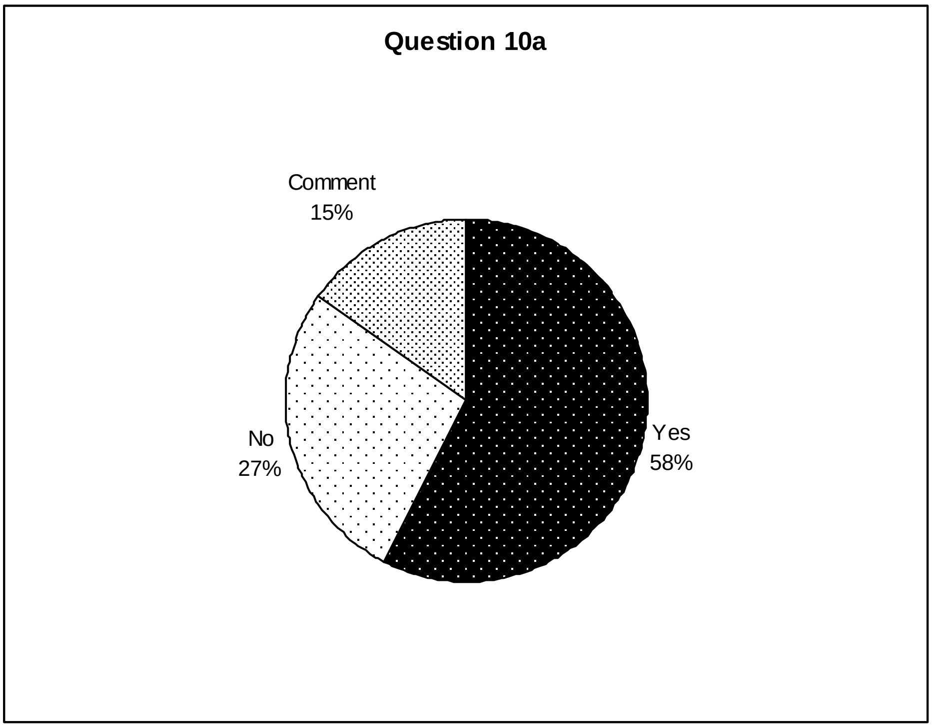
- The approach to community uses was generally supported.
- Norfolk Fire Service commented that Fire Stations and other emergency services should also be included within this rate.

Response and action

- The Partnership accepts that Fire Stations, Police Stations and Ambulance Stations which are sui generis should be subject to a £0 per m2 charge. It is recommended the charging schedule is amended to reflect this.

Question 10a:	It is intended that the rates of charge for all other types of development (including shared-user garages) covered by the CIL regulations will be £5 per m2. Do you agree with this approach?
Question 10b:	If you answered no to the above question, what should the charge be?

Total number of responses to Question 10a: 33
Total number of responses to Question 10b: 6



Key issues raised

- Some respondents thought the CIL rate on new investment covering the business and industrial sectors cannot be supported at a time when growth and investment is a priority.
- Some thought the rate should vary depending on the use
- There was some concern that the admin of this charge would be high compared to the potential income

Response

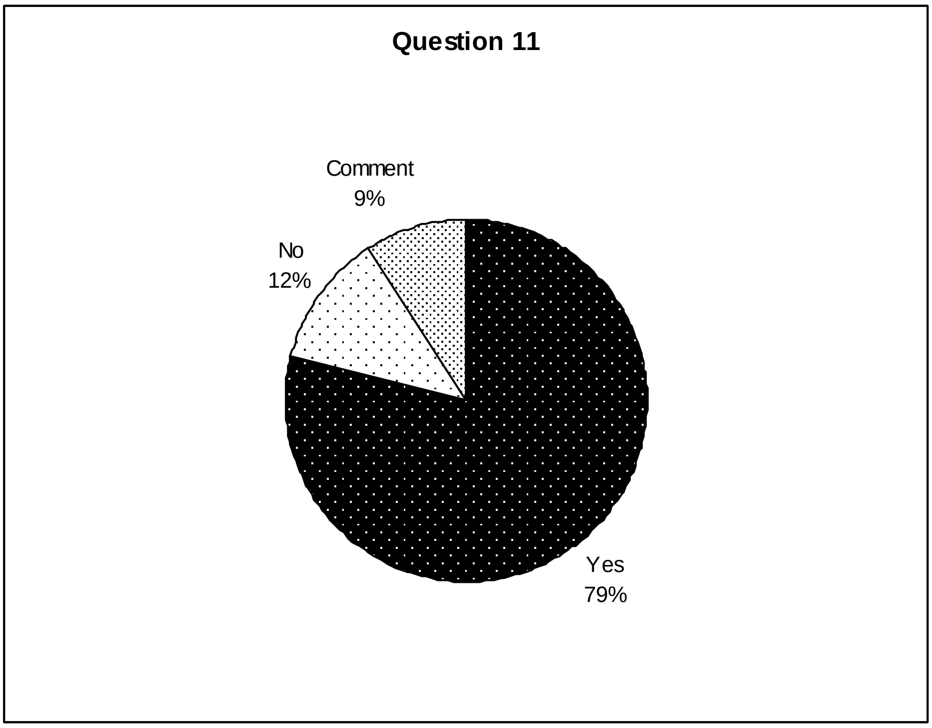
- It is recommended that Fire Stations, Police Stations and Ambulance Stations which are sui generis should be subject to a £0 per m2 charge.

Action

Proposed charging schedule is amended to take account of the above change.

Question 11 Do you agree with the approach to Discretionary Relief?

Total number of responses to Question 11: 33



Key issues raised

- The need to be flexible in reviewing the potential need to introduce discretionary relief
- The need to be flexible in the approach to section 106, and a willingness to review regulation 123 lists to take account of the inclusion within some strategic developments of strategic green infrastructure (beyond that required for the development in question), and the requirement for land transfers for community infrastructure such as schools similar points were made by two development interests This may also raise the question of payment in kind in such instances
- The suggestion that there should be a minimum commitment to an annual review
- Opposition to the use of CIL to support affordable housing, on the grounds it would represent double charging

Response

- It is not necessary to introduce a specific policy to grant discretionary relief, so there is some inherent flexibility. However, the papers published with the preliminary draft charging schedules indicated that the charging authorities do not currently envisage offering such a relief. This is, in part, because the scope for such relief is severely limited in practice by European state aid rules.
- Section 106 obligations are negotiated, but the tightening up of the law surrounding them does limit flexibility.The chief element of flexibility lies within affordable housing contributions, or the timing of other obligations.

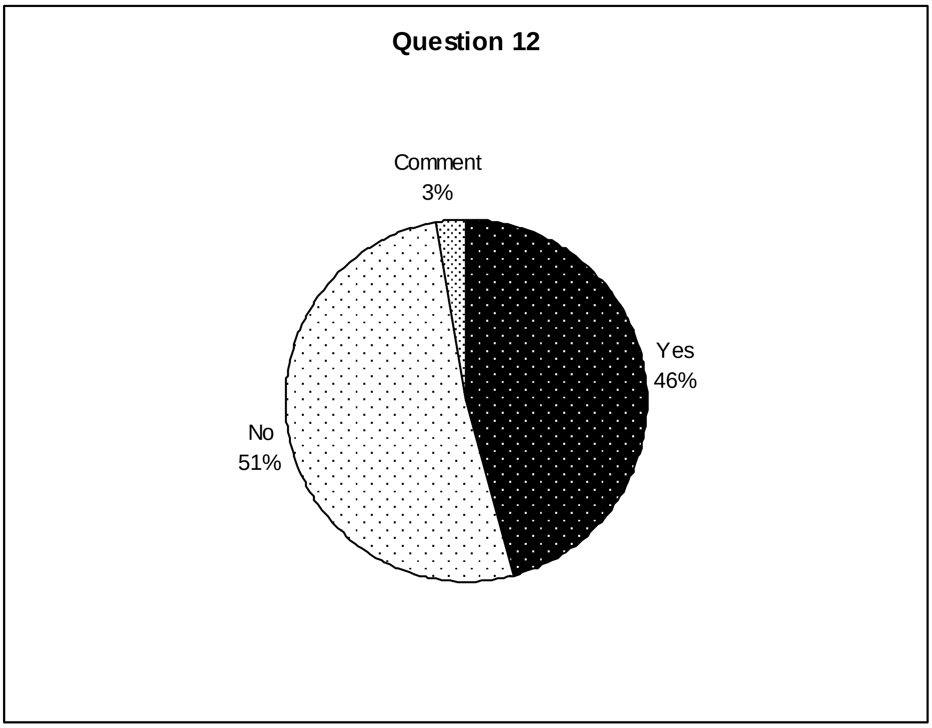
Regulation 123 lists can be reviewed at any time, and the tables included in the consultation documents were indicative and included to assist in understanding the impact of the CIL charges proposed. It will be possible to vary them in the light of experience without any amendment to the charging schedule or supporting documentation.

- The process for review is the same as that for the initial adoption – any review must be based on updated evidence – and therefore and annual review is not considered practical, although an early review commencing in two or three years would be sensible.
- The reference in the documentation to the possibility of CIL being used to support affordable housing was a reference to Government thinking which had been signalled earlier. The issue is now the subject of a formal consultation by the Government at national level, and the outcome of that will determine the potential for the use of CIL in this way. It is important if such a path is followed, that the provision of infrastructure continues to be the focus for CIL and adequate safeguards to secure this are built into any arrangements.

Action
No change

Question 12:	Do you have any comments about the draft policy 'staging of payments'.

Total number of responses to Question 12: 37



Key issues

- Parish Councils in both Broadland and South Norfolk expressed concern that staging will result in the share to be passed to the community been delayed, though without objecting to the principle of staging.
- Conversely, a number of respondents refer to the possibility of relating stages to the progress of development, and differentiating between types of development.
- A number of representations, principally, but not exclusively, from development interests express the view that the percentage of payments due at each stage is too "frontloaded" or that the stages should be elongated. They argue this would assist viability, because in larger developments, early stages are characterized by investment, while revenue starts to predominate later in a scheme.

Response

- Early informal advice from CLG indicated that a payment staging policy of the kind originally contemplated which differentiated between land uses, and which related payment to progress of development would not comply with regulations. For this reason the indicative staging policy included within the consultation papers related only to the timing of payments and the proportion of CIL payable at each stage for different bands of total CIL charge. The policy could be amended in one of two ways to assist viability.

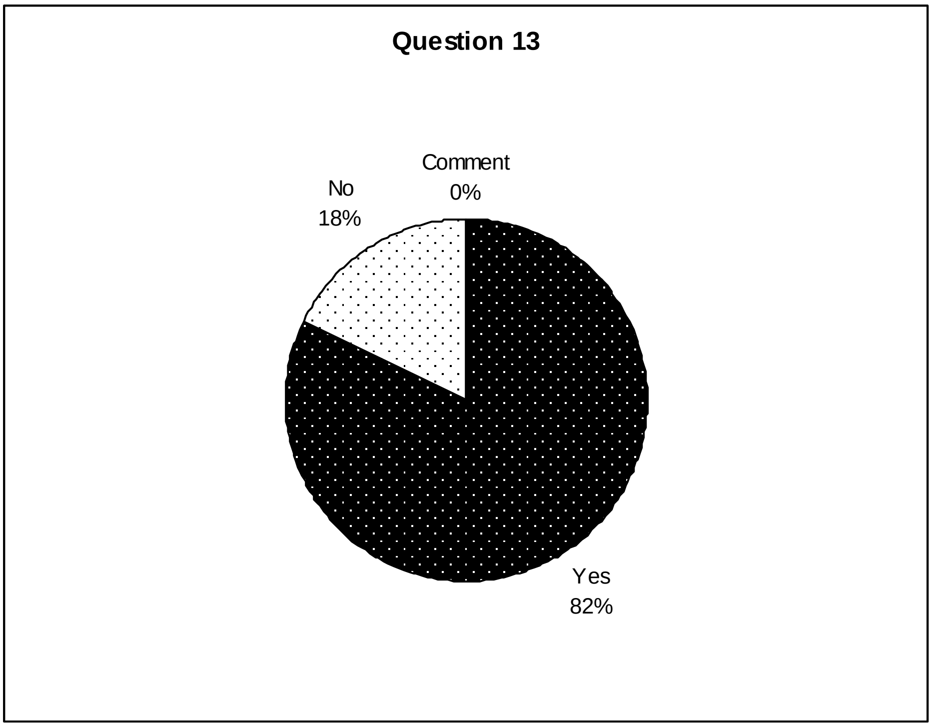
The first is simply to extend the time periods. The second is to reduce the proportion of CIL payable at early stages.

Action

- Review the staging policy

Question 13:	Do you agree with the approach to payment in kind?

Total number of responses to Question 13: 33



Key issues raised

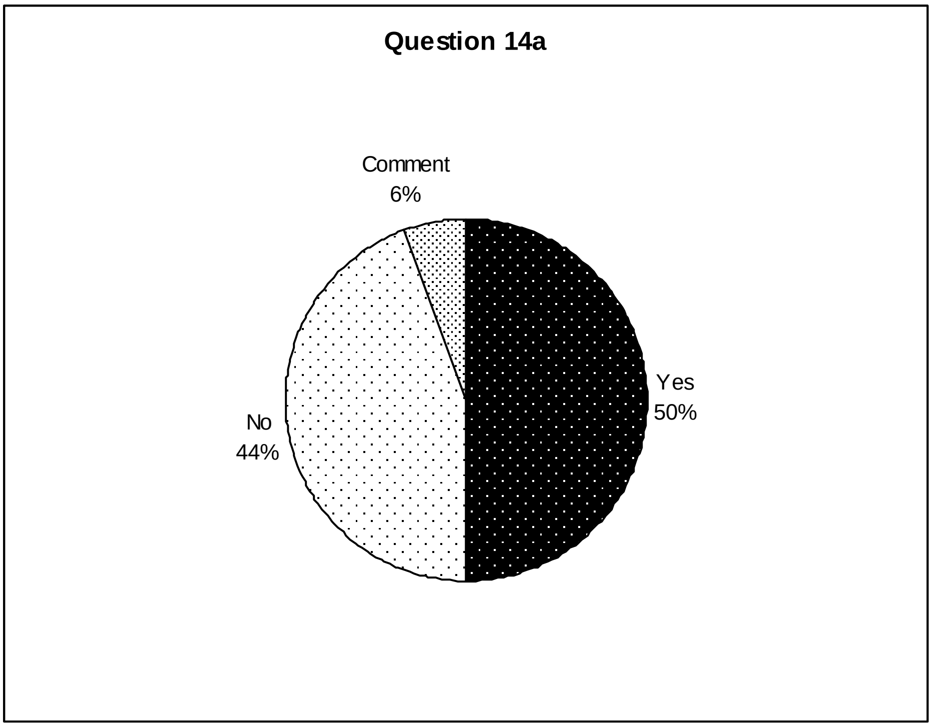
- The majority of responses (75%) to the question on “payment in kind” (question 13) support the approach set out in the Preliminary Draft Charging Schedule;
- Several respondents would like to see further clarification expressed on the “payment in kind” issue in the Charging Schedule and these will be looked at carefully;
- Several respondents feel that the approach in the emerging Charging Schedule is unfair and effectively penalises larger developments over smaller scale development by making the larger scale development give over land “free of charge” (e.g. where there is a need for a new school) and pay CIL. Whereas smaller developments can potentially provide land as a payment in kind;
- A further issue is raised in respect of Green Infrastructure and the potential for this to undermine viability of a development.

Response and actions

- Review wording to increase clarity.

Question 14a:	Subject to any updated Regulations it is proposed that 5% of the net CIL receipts be passed to local communities (e.g. the Parish Council or Town Council in the two rural districts) who express an interest in receiving it. Do you agree with this approach?
Question 14b:	Do you have any views about how the CIL which will be made available for the local community in Norwich, where there are no Parish or Town Councils, should be administered?

Total number of responses to Question 14a: 36
Total number of responses to Question 14b: 14



Key issues raised
14a

- concern that parish councillors are not representative of the local community and may not be resourced or have the expertise to deal with the sums of money involved
- Concern about which parish receives the funding as the impact of development may be felt more widely
- The rate should be higher than 5% to encourage local people to accept growth; 7.5%, 10%, 15% and 25% has been suggested as well as the suggestion that parishes should potentially be administering funds relating to all development in their patch. Lack of understanding re whether funds will need to be requested or will be automatically passed to parish councils
- Concern that the % is too high is some areas and may mean that vital infrastructure does not get provided

14b

- The City Council is best placed to decide how funding gets used
- Urban areas should be parished- some CIL income could be used to cover the costs associated with this
- Ward members should assist officers in deciding which local groups should receive funds
- Concern that some local groups are not set up to administer funds or deliver infrastructure
- Cross boundary issues raised where a development in the City may impact on neighbouring parishes and vice versa.

Response and actions

Comments received do not affect the Draft Charging Schedule but will be considered in developing the governance of the CIL. The responses will be collated and sent to the government in response to their consultation: Community Infrastructure Levy: Detailed proposals and draft regulations for reform - Consultation

Question 15:	Do you have any other comments on the Preliminary Draft Charging Schedule(s) or the Community Infrastructure Levy?

Total number of responses to Question 15: 72

Key issues raised

- The majority of comments relate to other questions. This has been highlighted against each of the individual responses and are picked up against the appropriate question. A number of comments also relate to how the CIL funding will be spent rather than the changing schedule itself.

Response and actions

The majority of the remaining comments mostly related to management of CIL and these will be used to inform governance decisions.

Appendix 1: Breakdown of responses to questions

Note

Denotes where a question has been responded to

Shows where a question form has not been received and comments have been recorded under question 15. These responses have been reviewed for issues that require a response under another question.

		Question number														
Ref	**Respondent**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
CIL001	Wilkinson Builders															
CIL002	Mr EA Newberry															
CIL003	CPRE Norfolk															
CIL004	Country Land and Business Association															
CIL005	Ewings Rentals															
CIL006	Thurton Parish Council															
CIL007	Stratton Strawless Parish Council															
CIL008	Hainford Parish Council															
CIL009	Stockton Parish Meeting															
CIL010	Hempnall Parish Council															
CIL011	Hevingham Parish Council															
CIL012	Willow Builders															
CIL013	Roydon Parish Council															
CIL014	Templemere Residents Association															
CIL015	Sprowston Town Council															
CIL016	Anglian Water															
CIL017	Tasburgh Parish Council															
CIL018	Norfolk Geodiversity Partnership															
CIL019	IE Homes & Property															
CIL020	Postwick with Witton Parish Council															

		Question number														
Ref	**Respondent**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
CIL021	Kirby Cane & Ellingham PC															
CIL022	Peacock & Smith Ltd on behalf of WM Morrison Supermarkets plc															
CIL023	The Theatres Trust															
CIL024	Sport England															
CIL025	Norfolk Fire and Rescue Service															
CIL026	Marlingford and Colton Parish Council															
CIL027	Horsford Parish Council															
CIL028	Natural England															
CIL029	Orbit Homes															
CIL030	North Norfolk District Council															
CIL031	Norton Subcourse Parish Council															
CIL032	Salhouse Parish Council															
CIL033	Michael Sida															
CIL034	Newton Flotman Parish Council															
CIL035	Capita Symonds on behalf of Breckland Council															
CIL036	Hale and Heckingham Parish Council															
CIL037	Talconeston Parish Council															
CIL038	Mr H. Ivins															
CIL039	Norwich and Norfolk Transport Group															
CIL040	Ptarmigan Land Ltd															
CIL041	Savills (L&P) Ltd on behalf of Mr I. Alston, Honingham Thorpe Farms															
CIL042	Blofield Parish Council															
CIL043	Norfolk Biodiversity Partnership															

		Question number														
Ref	**Respondent**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
CIL044	Water Management Alliance															
CIL045	Morston Assets															
CIL046	Wroxham Parish Council															
CIL047	Beyond Green Ltd															
CIL048	Ashby St Mary Parish Council															
CIL049	Thorpe and Felthorpe Trust															
CIL050	Dickleburgh and Rushall Parish Council															
CIL051	Spixworth Parish Council															
CIL052	Town Planning Intelligence on behalf of Zurich Assurance															
CIL053	Diss Town Council															
CIL054	Aylsham Town Council															
CIL055	Mr S. Heard on behalf of Stop Norwich Urbanisation															
CIL056	Thomas Eggar LLP on behalf of Asda Stores Limited															
CIL057	Norfolk Rural Community Council															
CIL058	Mr R. Williams on behalf of Stop Norwich Urbanisation															
CIL059	Environment Agency															
CIL060	Eaton and University Community Forum															
CIL061	Indigo Planning Limited on behalf of Sainsburys Supermarkets Ltd															
CIL062	Savills (L&P) Ltd on behalf of Easton Landowners Consortium in conjunction with Norfolk Homes and Endurance Estates															

		Question number														
Ref	**Respondent**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
CIL063	The Leeder Family															
CIL064	English Heritage															
CIL065	Old Catton Parish Council															
CIL066	Mr A.B. Walker															
CIL067	Redenhall with Harleston Town Council															
CIL068	Bunwell Parish Council															
CIL069	Broadland Community Partnership															
CIL070	Cringleford Parish Council															
CIL071	Long Stratton Parish Council															
CIL072	The Planning Bureau Ltd on behalf of McCarthy and Stone															
CIL073	Mr R. A Harris															
CIL074	Taverham Parish Council															
CIL075	Brundall Parish Council															
CIL076	United Business and Leisure ltd and Landowners Group ltd															
CIL077	Aslacton Parish Council															
CIL078	South Walsham Parish Council															
CIL079	Broome Parish Council															

Appendix 2: Background paper on Viability

1. Introduction

1.1. This report has been prepared to supplement the initial evidence provided by GVA (REF).

1.2. The principle analysis uses a residual land value model originally supplied and populated by a local developer and their agent. However, the contents of the spreadsheets included in this report are entirely the responsibility of the GNDP. Our assumptions are informed by discussions with the Homes and Communities Agency, a local registered provider and confidential appraisals of real schemes by the district valuer.

1.3 Eight scenarios have been appraised. These are:

1. GNDP cost assumptions
2. Submitted Developer assumptions
3. Submitted Developer assumptions (reduced affordable)
4. Submitted Developer assumptions (market GDV +10%)
5. GNDP cost assumptions, higher S106
6. Submitted Developer Assumptions, higher S106
7. Submitted developer assumptions, reduced affordable), higher S106
8. Submitted developer assumptions (market GDV +7%), higher S106

Scenario 1 and 2 (zone A) are appended to this paper. All the scenarios will be available at the GNDP Board meeting on 15 December 2011, due to the size of the documents they will be posted as part of the Board papers on www.gndp.org.uk.

2. Results

Scheme 1

2.1. Scheme Number 1 represents a green field site of 9.4 hectares and a development of 250 dwellings. The Joint Core Strategy policy requires such a scheme to provide 33% affordable housing. Scheme 1a is assumed to be in Zone A with its higher market values and higher potential CIL. Scheme 1b uses lower values and CIL rates and represents a scheme in Zone B. The tables illustrate various scenarios for these schemes.

2.2. It should be noted that the scheme is relatively low density and it is expected that more value could be gained with a small increase in net and/or gross density.

Scheme 1a

2.3. The first scenario for Scheme 1a uses the assumptions provided by the developer for GDV, affordable house types, site costs and build costs.

Having discussed the assumptions on other costs with the Homes and Communities Agency (HCA), we have reduced the contingency to 2.5% of build costs and altered the way that various fees and profit are calculated. With these assumptions, the residual land value is well in excess of a benchmark value of £500,000 per hectare.

2.4. Under the second scenario all assumptions are as provided by the developer. It shows a residual land value well below the benchmark. The third scenario illustrates an example of the type of reduced affordable housing provision that could provide a reasonable land value. While the fourth scenario illustrates that, even with the developers higher assumptions on costs and profit, the scheme becomes viable if house prices increase in real terms by just 7%

2.5. Scenarios 5, 6, 7 and 8 repeat the first four but with higher S106 costs. This allows an assessment of the impact of retaining some infrastructure provision under S106 rather than CIL, for example the costs of maintaining additional formal open space. Again it demonstrates that the scheme is viable with GNDP assumptions or with a 7% uplift in house prices.

Scheme 1b

2.6. Scheme 1b represents a Zone B scheme otherwise identical to 1a and the same 8 scenarios are tested. The difference between 1a and 1b is that the GDV of market dwellings is reduced by 7.5% and CIL is set at the proposed Zone B rate of £75 per m2.

Scheme two

2.7. Scheme 2 represents a 25 dwelling development on a city centre brownfield site. Some "abnormal" costs are included. The methodology also illustrates an alternative approach for assessing profit based on GDV rather than cost.

2.8. In the first scenario abnormal costs are assumed to be £150,000. The site delivers 32% affordable dwellings and has a residual land value equivalent to just over £700,000 per ha.

2.9. In the second scenario the abnormal costs are higher at |£250,000. In order to increase the residual land value affordable housing is reduced to 24%. This results in a RLV equivalent to £930,000 per ha.

3. Conclusion

3.1 This analysis demonstrates a high degree of variability in assessing viability using a residual land value model. It indicates that the proposed residential CIL charges will result in the full requirement for affordable housing and a viable residual land value in most cases, particularly where reasonable assumptions are made on costs. If the higher assumptions adopted by developers are reasonable there will be an impact on the ability to provide the full requirement of affordable housing. However, relatively small increases in house prices of a level that can be expected in the early years of CIL payments will make schemes significantly more viable and able to deliver appropriate levels of affordable housing.

HYPOTHETICAL SCHEME - Number one 250 dwellings	Scenario 1 GNDP cost asumptions				Scenario 2 Submitted Developer assumptions			
Gross Area of Site		9.40 ha				9.40 ha		
Net Area of Site		7.85 ha	83.51%			7.85 ha	83.51%	
Total No of Units	250	24328	(Av size 97.31 sq m)		250	24328	(Av size 97.31 sq m)	
Density	26.6 gross		31.8 net		26.6 gross		31.8 net	
Affordable Housing:	18	1-Bed Flat	39	711	18	1-Bed Flat	39	711
	13	2-Bed Flat	60	785	13	2-Bed Flat	60	785
	30	2-Bed Hse	67	2,021	30	2-Bed Hse	67	2,021
	15	3-Bed Hse	84	1,254	15	3-Bed Hse	84	1,254
	7	4-Bed Hse	107	748	7	4-Bed Hse	107	748
	83		**358 sq m**	**5,518**	**83**		**358 sq m**	**5,518**
Total Scheme less Affordable Housing	24,328	less	5,518	**18,809**	24,328	less	5,518	**18,809**
GROSS DEVELOPMENT VALUE								
GDV of Open Market Units	18,809	@	£1,991	**£37,449,237**	18,809	@	£1,991	**£37,449,237**
GDV of Affordable Housing Units from a RSL:								
AH units for Affordable/Social Rent	18		£ 55,000	£990,000	18		£ 55,000	£990,000
	13		£ 64,000	£832,000	13		£ 64,000	£832,000
	25		£ 73,000	£1,825,000	25		£ 73,000	£1,825,000
	10		£ 82,000	£820,000	10		£ 82,000	£820,000
	4		£ 91,000	£364,000	4		£ 91,000	£364,000
Total Affordable/Social Rent	**70**		**£ 365,000**	**£4,831,000**	**70**		**£ 365,000**	**£4,831,000**
AH Units for Intermediate	5		£105,000	£525,000	5		£105,000	£525,000
	5		£125,000	£625,000	5		£125,000	£625,000
	3		£135,000	£405,000	3		£135,000	£405,000
Total	**13**		**£365,000**	**£1,555,000**	**13**		**£365,000**	**£1,555,000**
Affordable Provision	**33%**		**£730,000**	**£6,386,000**	**33%**		**£730,000**	**£6,386,000**
Total Scheme GDV				**£43,835,237**				**£43,835,237**
CONSTRUCTION COSTS								
Site Servicing & Infrastructure (Basic - no major abnormals)								
Electricity HV works & sub-station, say				£75,000				£75,000
SW attenuation system/lagoon, etc, say				£150,000				£150,000
Highways works, ie site access, etc, say				£250,000				£250,000
Site Roads & Sewers, say: (at £75,000 per net ha)				£1,454,801				£1,454,801
Enabling Costs								
Total				**£1,929,801**				**£1,929,801**
Build Costs, Overheads								
AH Build CfSH3:	5,518	@	£971.39	£5,360,363	5,518	@	£971.39	£5,360,363
OM Small Build:	11,286	@	£945.13	£10,666,318	11,286	@	£945.13	£10,666,318
OM Large Build:	7,524	@	£813.86	£6,123,242	7,524	@	£813.86	£6,123,242
Average Build CfSH6:	0	@	£0.00	£0	0	@	£0.00	£0
Total Build Cost				**£22,149,922**				**£22,149,922**
Contingency		@	2.50% of Build Cost	£553,748		@	5% of Build Cost	£1,107,496
Overheads (inc fees, marketing/sales and planning costs)		@	11% of build costs	£2,436,491		@	11% of GDV	£4,821,876
Total Construction, Build and overhead costs				**£27,069,963**				**£30,009,096**
Finance			7.00% of Build Cost	£1,550,495			7.00% of Build Cost	£2,100,637
Profit Margin		@	20% of Build/site/OH costs	£5,413,993		@	20% of Build/site costs	£6,001,819
Total for all development costs and profit				**£34,034,450**				**£38,111,551**
Acquisition Costs								
Stamp Duty	(added manually)		4.00% of Purchase Costs	£268,000	(added manually)		4.00% of Purchase Costs	£120,000
Solicitors, Agents, Professional Etc	(added manually)		1.50% of Purchase Costs	£100,500	(added manually)		1.50% of Purchase Costs	£45,000
Total				**£368,500**				**£165,000**
Total All Costs				**£34,402,950**				**£38,276,551**
LAND VALUE PRE S106 COSTS				**£9,432,287**				**£5,558,685**
S.106 Contributions								
Assumed £750 per unit	250	@	£750	£187,500	250	@	£750	£187,500
Total				**£187,500**				**£187,500**
LAND VALUE PRE CIL				**£9,244,787**				**£5,371,185**
CIL								
Dwellings	18,809	@	£115	£2,163,065	18,809	@	£115	£2,163,065
Garages (111 single and 26 double)	2,315	@	£115	£266,225	2,315	@	£115	£266,225
Total CIL				**£2,429,290**				**£2,429,290**
RESIDUAL LAND VALUE				**£6,815,497**				**£2,941,895**
Rate per gross hectare	9.40			**£725,053**	9.40			**£312,968**
Rate per net hectare	7.85			£868,216	7.85			£374,764
Rate per plot	250			£27,262	250			£11,768
Rate per gross acre	23			£296,326	23			£127,908
Rate per net acre	16			£425,969	16			£183,868

Appendix 3: Summary of Changes to Charging Schedules and Background and Context Document

Changes to charging schedules

Paragraph	**Summary of change**	**Reason**
4. Table row 1:	Amendment to table row 1: Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages. Zone A :£115 Zone B: £75	Three related issues have been raised through the consultation that suggest a revision to the residential rates: 1. challenges to the viability of the inner zone rate 2. concerns about the differential between the inner and outer zone rates 3. issues related to having a separate rate for residential garages Under the current GNDP timetable, CIL will begin to impact on development during 2013 and beyond. While the housing market is expected to improve, the most recent evidence on the national and international economic context has added greater uncertainty on the extent and timing of the recovery in residential values (i.e. house prices). Further evidence has been assembled on the viability of proposed residential CIL rates to address concerns expressed by the development industry. This uses a simple residual land value model to test various scenarios and assumptions. The results are provided in a separate report. It demonstrates that viability, as measured by residual land value, is most affected by changes in development value (largely determined by house prices) and assumptions about developer's costs and profits. CIL rates have a more marginal effect on viability - however it is recognised that even a marginal impact can make the difference between a development happening or not, on the quality of the development, or on the ability to provide affordable housing. With regard to the proposal for two charging zones, evidence provided or signposted by consultees on house prices continues to support two residential zones with lower rates in the outer area than the inner area. However, evidence on values in the outer zone suggests that there is a fair degree of variability with some locations achieving relatively high values. There may be a tendency for costs, particularly land values, to be lower for small scale developments in rural areas. Consultees tended to seek less differentiation between the two proposed rates, and there have been few concerns expressed by the development industry to the proposed outer rate.

Paragraph	Summary of change	Reason
		While there are a range of issues relating to garages it is clear that it would be simpler to operate the CIL if there was no differentiation between residential floorspace provided as a dwelling or in a garage. Moreover, there is no evidence that a garage has viability in its own right. Taking account of all these issues, it is proposed to include garage space (other than shared user space) within the proposed residential rate. In moving to this combined rate it is proposed to reduce the inner area rate accordingly but maintain the residential rate for the outer area. In order to do this in the inner area without raising the impact on an average dwelling the following calculation has been followed. The size of an average house without a garage is approximately 90m2 and It can be assumed that an average single garage is 15m2. Consequently an average dwelling with a garage is assumed to be 105m2. Starting from the lowest consultation rate of £135 per m2 gives £135x90m/105m= £115 per m2. This calculation ignores the separate consultation rates for garages, thus providing a further small discount. Compared to the consultation rates, this change simplifies collection • reduces the difference between the two zones • increases the rate of CIL in the outer Zone B for some developments (by about £675 on an average dwelling with garage) • for the inner Zone A the proposal is a very significant reduction on the upper end of the consultation range. Compared to the lower end of the consultation range, it reduces the CIL slightly on a house with a single garage and more significantly for dwellings without garages • increases the viability of Zone A brownfield sites where a greater proportion of flats with shared garage space can be expected. • is not expected to reduce the provision of garages as the comparative impact on costs are negative or marginal, and garages are required to encourage sales.
4. Table row 2	Delete row	Uses falling under C2, C2A and D1 Fire and Rescue Stations, Ambulance Stations and Police Stations which are Sui Generis.
4. Table row 5 (new 4)	Additional text : Uses falling under C2, C2A and D1 Fire and Rescue Stations,	To clarify that: Fire Stations, Police Stations and Ambulance Stations which are sui generis should be subject to a £0 per m2 charge.

Paragraph	Summary of change	Reason
	Ambulance Stations and Police Stations which are Sui Generis.	

Summary of changes to Community Infrastructure Levy: Background and Context

Paragraph	Summary of change	Reason
Throughout	Updating and clarification	Moving to next stage, minor clarification of text, and updated information
4.5 and 4.6	Additional text and new paragraph	Stress that trajectories will be updated and more detailed business planning will guide investment
5.1	Amended text and new bullet	Refer to updated viability work
6.8	Amended text	To explain a different approach to charging for domestic garages within curtilages
7.3	Additional text at end of paragraph	Clarify approach to ongoing maintenance of open space and associated equipment
7.7	New paragraph	Clarify that fire, police, and ambulance stations will be charged £0 per sq m
7.10	Amended text	To take account of revised approach to setting residential CIL
7.12	Amendments to market forecasts	Take account of latest information
7.14	New paragraph	To explain the reasons for updates in the inner and outer zones taking a slightly different form
7.15	Amendments	To explain the reasons for updates in the inner and outer zones taking a slightly different form
7.16	Amend table	To take account of revised approach to setting residential CIL
7.17	Amendments	To take account of revised approach to setting residential CIL and incorporate garages
8.3	Amendment	To take account of single proposed charge in inner zone, rather than range used previously
10.3-10.6	New paragraphs	To clarify approach to land transfer to serve a particular development and ongoing maintenance. Also to indicate that even where CIL is charged, it may be more cost effective to procure built provision through the developer where procurement rules allow this
15.1	New text	Updated to take account of recent Government consultations on changes arising from the Localism Act
Appendix 1 (indicative regulation 123 policy) Section on maintenance	Clarification that future maintenance of open space and green infrastructure will be secured through section 106, and that this will also apply to equipment on such	Provide clarity on the distinction between CIL and section 106

Paragraph	Summary of change	Reason
	areas even where this is initially provided through CIL	
Appendix 4 (indicative policy for staging payments)	Taper the proportion to be paid at each stage, and minor adjustment to the timing of the second stage where four instalments are involved	In order to assist viability. There are two potential approaches which could be adopted, extending the periods for payment, or tapering the instalment at each stage. The second approach has been proposed to minimize the delay in the receipt of the final CIL, while recognizing that in the early stages, there is a heavy investment in a development and a relatively little return in the form of income
Glossary	Addition of definition of “shared user garages”	To clarify following uncertainty expressed by consultees. Shared-user garages are those where, although the space may be assigned, there is no physical restriction guaranteeing secure access, for example in areas are devoted to parking within multi storey apartments, where potential secure use of the space for other storage is not available in the same way as garages within curtilages, or garage courts with individual secure access.
Glossary	Addition of link to guide to Use Classes	http://www.planningportal.gov.uk/permission/commonprojects/changeofuse/ to add clarity.

DRAFT A

Broadland District Council Community Infrastructure Levy Draft Charging Schedule

1. Introduction

1.1. This charging schedule is produced jointly by Broadland District Council, Norwich City Council and South Norfolk Council, working together with Norfolk County Council.

1.2. Each of the district councils will be the “Charging Authority” for their area and a separate charging schedule must be produced for each district. This charging schedule covers the part of the Broadland District Council area for which the council is the local planning authority. Therefore it does not include the parts of the authority that are within the Broads Authority (where separate arrangements for developer contributions apply).

1.3. The Community Infrastructure Levy (CIL) provides a fair and transparent system of developer contributions for the provision of infrastructure required to support development in accordance with the Joint Core Strategy (JCS) for Broadland, Norwich and South Norfolk. The Charging Schedule sets out the Levy for different types and locations of development that will apply in the JCS area. While the investment provided by CIL is crucial for the delivery of sustainable development, it is not designed to fully fund all the infrastructure requirements of the area.

1.4. The accompanying document, Community Infrastructure Levy: Background and Context, outlines the evidence that has been used to develop this charging schedule, how infrastructure will be prioritised through the Local Implementation Plan and Programme (LIPP) and the Partnership’s evolving approach to governance and delivery. It explains the links between the CIL, Planning Obligations, and on-site infrastructure provision. An indicative list of the types of infrastructure that the CIL will help fund, or which will be delivered through conditions or legal agreements, is included in Appendix 1. This list does not form part of the Charging Schedule and will ultimately be published separately in accordance with CIL Regulation 123 and kept up to date on a regular basis.

2. Liability for CIL

2.1. When planning permission is granted, Broadland District Council as the Charging Authority will issue a Liability Notice setting out the Levy that will be due for payment when the development is commenced. Applicants are advised to agree who will be responsible for this liability before submitting their planning application. Where no-one has assumed liability to pay the Levy, the liability will automatically default to the landowners of the relevant land and their successors in title.

2.2. Applicants should note that CIL will be charged on all qualifying development for which a planning permission is issued after the date of adoption of this Charging Schedule, regardless of when the application was validated.

3. Geographical zones

3.1. As noted above the Broads Authority area is not covered by this Schedule. The remaining parts of Broadland and South Norfolk are divided between Inner and Outer charging zones for residential development. These charging zones are defined on the map in Appendix 1.

4. Charging Schedule (£ per m2)

<table>
<tr><th>Use Class</th><th>Zone A</th><th>Zone B</th></tr>
<tr><td>Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.</td><td>£115</td><td>£75</td></tr>
<tr><td>Large convenience goods based supermarkets and superstores of 2,000m2 gross or more.
(Convenience goods are food, alcoholic and non-alcoholic beverages, tobacco, periodicals and newspapers, and non-durable household goods)</td><td colspan="2">£135</td></tr>
<tr><td>All other retail (Use classes A1-A5) and assembly and leisure development (D2)
Sui generis akin to retail i.e. shops selling and/or displaying motor vehicles, petrol filling stations, retail warehouse clubs
Sui generis akin to assembly and leisure i.e. nightclubs, amusement centres and casinos</td><td colspan="2">£25</td></tr>
<tr><td>Uses falling under C2, C2A and D1
Fire and Rescue Stations, Ambulance Stations and Police Stations which are Sui Generis.</td><td colspan="2">£0</td></tr>
<tr><td>All other types of development covered by the CIL regulations (including shared-user/ decked garages)</td><td colspan="2">£5</td></tr>
</table>

The chargeable rate will be index linked to the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year. In the event that the All-in Tender Price Index ceases to be published, the index will be the retail prices index; and the figure for a given year is the figure for November of the preceding year.

5. Collecting Authority

5.1 The collecting authority for the above payments will typically be the District Council (i.e. the determining authority/ Charging Authority) where the development takes place. However, in some instances, it may be the County Council that grants planning permission and, in these circumstances, it would be the County Council who would be the collecting authority (under Regulation 10(4)). Where the County Council is the collecting authority it will pay the Charging Authority the appropriate amount of CIL inline with Regulation 76.

6. Discretionary relief

6.1. Development by charities for charitable use is a statutory exemption under Regulation 43. It is not the current intention to make discretionary relief available in the area under Regulations 44, 45 or 55. This will be kept under review.

7. Staging of Payments

7.1. It is the intention of the authorities to produce an Instalment Policy setting out:

a. The date on which it takes effect, which must be no earlier than the day after the instalment policy is published on the website;

b. The number of instalment payments;

c. The amount or proportion of CIL payable in any instalment;

d. The time (to be calculated from the date the development is commenced) that the first instalment payment is due, and the time that any subsequent instalment payments are due; and

e. Any minimum amount of CIL below which CIL may not be paid by instalment.

Where there is no instalment policy, payment will be payable in full at the end of a period of 60 days beginning with the intended commencement date of development.

A draft policy is set out in appendix 4 of ‘Community Infrastructure Levy: Background and Context”

8. Payment in Kind

8.1. Under Regulation 73, of the Community Infrastructure Levy Regulations 2010, as amended, the Charging authority may, at its own discretion, consider accepting land as payment in kind in lieu of CIL. This will only normally be considered for land in excess of that needed to deliver the infrastructure required by the permitted development (e.g. if the development permitted requires a new school of scale x, the land for a school of scale x will be provided without cost and not in lieu of CIL). The value of land for in lieu payment will be determined by an independent valuer.

9. **Further Information**

9.1. This Charging Schedule is prepared in accordance with the Community Infrastructure Levy Regulations. National guidance and further details about the Levy can be found on the Communities and Local Government website, at www.communities.gov.uk.

9.2. This Charging Schedule has been informed by local evidence regarding infrastructure requirements and the impact of a Levy on the economic viability of development, full details of which can be found on the GNDP website at www.gndp.org.uk.

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tel: 01603 430144

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Norwich City Council Community Infrastructure Levy Draft Charging Schedule

1. **Introduction**

1.1. This charging schedule is produced jointly by Broadland District Council, Norwich City Council and South Norfolk Council, working together with Norfolk County Council.

1.2. Each of the district councils will be the "Charging Authority" for their area and a separate charging schedule must be produced for each district. This charging schedule covers the part of the Norwich City Council area for which the council is the local planning authority. Therefore it does not include the parts of the authority that are within the Broads Authority (where separate arrangements for developer contributions apply).

1.3. The Community Infrastructure Levy (CIL) provides a fair and transparent system of developer contributions for the provision of infrastructure required to support development in accordance with the Joint Core Strategy (JCS) for Broadland, Norwich and South Norfolk. The Charging Schedule sets out the Levy for different types and locations of development that will apply in the JCS area. While the investment provided by CIL is crucial for the delivery of sustainable development, it is not designed to fully fund all the infrastructure requirements of the area.

1.4. The accompanying document, Community Infrastructure Levy: Background and Context, outlines the evidence that has been used to develop this charging schedule, how infrastructure will be prioritised through the Local Implementation Plan and Programme (LIPP) and the Partnership's evolving approach to governance and delivery. It explains the links between the CIL, Planning Obligations, and on-site infrastructure provision. An indicative list of the types of infrastructure that the CIL will help fund, or which will be delivered through conditions or legal agreements, is included in Appendix 1. This list does not form part of the Charging Schedule and will ultimately be published separately in accordance with CIL Regulation 123 and kept up to date on a regular basis.

2. **Liability for CIL**

2.1. When planning permission is granted, Norwich City Council as the Charging Authority will issue a Liability Notice setting out the Levy that will be due for payment when the development is commenced. Applicants are advised to agree who will be responsible for this liability before submitting their planning application. Where no-one has assumed liability to pay the Levy, the liability will automatically default to the landowners of the relevant land and their successors in title.

2.2. Applicants should note that CIL will be charged on all qualifying development for which a planning permission is issued after the date of adoption of this Charging Schedule, regardless of when the application was validated.

3. Geographical zones

3.1. As noted above the Broads Authority area is not covered by this Schedule. Norwich City Council Area is entirely within the Inner charging zone. These charging zones are defined on Map 1.

4. Charging Schedule (£ per m2)

Use Class	**Zone A**	**Zone B**
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.	£115	Not applicable
Large convenience goods based supermarkets and superstores of 2,000m2 gross or more. (Convenience goods are food, alcoholic and non-alcoholic beverages, tobacco, periodicals and newspapers, and non-durable household goods)	£135	
All other retail (Use classes A1-A5) and assembly and leisure development (D2) Sui generis akin to retail i.e. shops selling and/or displaying motor vehicles, petrol filling stations, retail warehouse clubs Sui generis akin to assembly and leisure i.e. nightclubs, amusement centres and casinos	£25	
Uses falling under C2, C2A and D1 Fire and Rescue Stations, Ambulance Stations and Police Stations which are Sui Generis.	£0	
All other types of development covered by the CIL regulations (including shared-user/ decked garages)	£5	

The chargeable rate will be index linked to the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year. In the event that the All-in Tender Price Index ceases to be published, the index will be the retail prices index; and the figure for a given year is the figure for November of the preceding year.

5. **Collecting Authority**

5.1 The collecting authority for the above payments will typically be the District Council (i.e. the determining authority/ Charging Authority) where the development takes place. However, in some instances, it may be the County Council that grants planning permission and, in these circumstances, it would be the County Council who would be the collecting authority (under Regulation 10(4)). Where the County Council is the collecting authority it will pay the Charging Authority the appropriate amount of CIL inline with Regulation 76.

6. **Discretionary relief**

6.1. Development by charities for charitable use is a statutory exemption under Regulation 43. It is not the current intention to make discretionary relief available in the area under Regulations 44, 45 or 55. This will be kept under review.

7. **Staging of Payments**

7.1. It is the intention of the authorities to produce an Instalment Policy setting out:

a. The date on which it takes effect, which must be no earlier than the day after the instalment policy is published on the website;

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Where there is no instalment policy, payment will be payable in full at the end of a period of 60 days beginning with the intended commencement date of development.

A draft policy is set out in appendix 4 of ‘Community Infrastructure Levy: Background and Context”

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9. **Further Information**

9.1. This Charging Schedule is prepared in accordance with the Community Infrastructure Levy Regulations. National guidance and further details about the Levy can be found on the Communities and Local Government website, at www.communities.gov.uk.

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South Norfolk Council Community Infrastructure Levy Draft Charging Schedule

1. Introduction

1.1. This charging schedule is produced jointly by Broadland District Council, Norwich City Council and South Norfolk Council, working together with Norfolk County Council.

1.2. Each of the district councils will be the “Charging Authority” for their area and a separate charging schedule must be produced for each district. This charging schedule covers the part of the South Norfolk Council area for which the council is the local planning authority. Therefore it does not include the parts of the authority that are within the Broads Authority (where separate arrangements for developer contributions apply).

1.3. The Community Infrastructure Levy (CIL) provides a fair and transparent system of developer contributions for the provision of infrastructure required to support development in accordance with the Joint Core Strategy (JCS) for Broadland, Norwich and South Norfolk. The Charging Schedule sets out the Levy for different types and locations of development that will apply in the JCS area. While the investment provided by CIL is crucial for the delivery of sustainable development, it is not designed to fully fund all the infrastructure requirements of the area.

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2. Liability for CIL

2.1. When planning permission is granted, South Norfolk Council as the Charging Authority will issue a Liability Notice setting out the Levy that will be due for payment when the development is commenced. Applicants are advised to agree who will be responsible for this liability before submitting their planning application. Where no-one has assumed liability to pay the Levy, the liability will automatically default to the landowners of the relevant land and their successors in title.

2.2. Applicants should note that CIL will be charged on all qualifying development for which a planning permission is issued after the date of adoption of this Charging Schedule, regardless of when the application was validated.

3. Geographical zones

3.1. As noted above the Broads Authority area is not covered by this Schedule. The remaining parts of Broadland and South Norfolk are divided between Inner and Outer charging zones for residential development. These charging zones are defined on the map in Appendix 1.

4. Charging Schedule (£ per m2)

<table>
<tr><th>Use Class</th><th>Zone A</th><th>Zone B</th></tr>
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The chargeable rate will be index linked to the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year. In the event that the All-in Tender Price Index ceases to be published, the index will be the retail prices index; and the figure for a given year is the figure for November of the preceding year.

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9. **Further Information**

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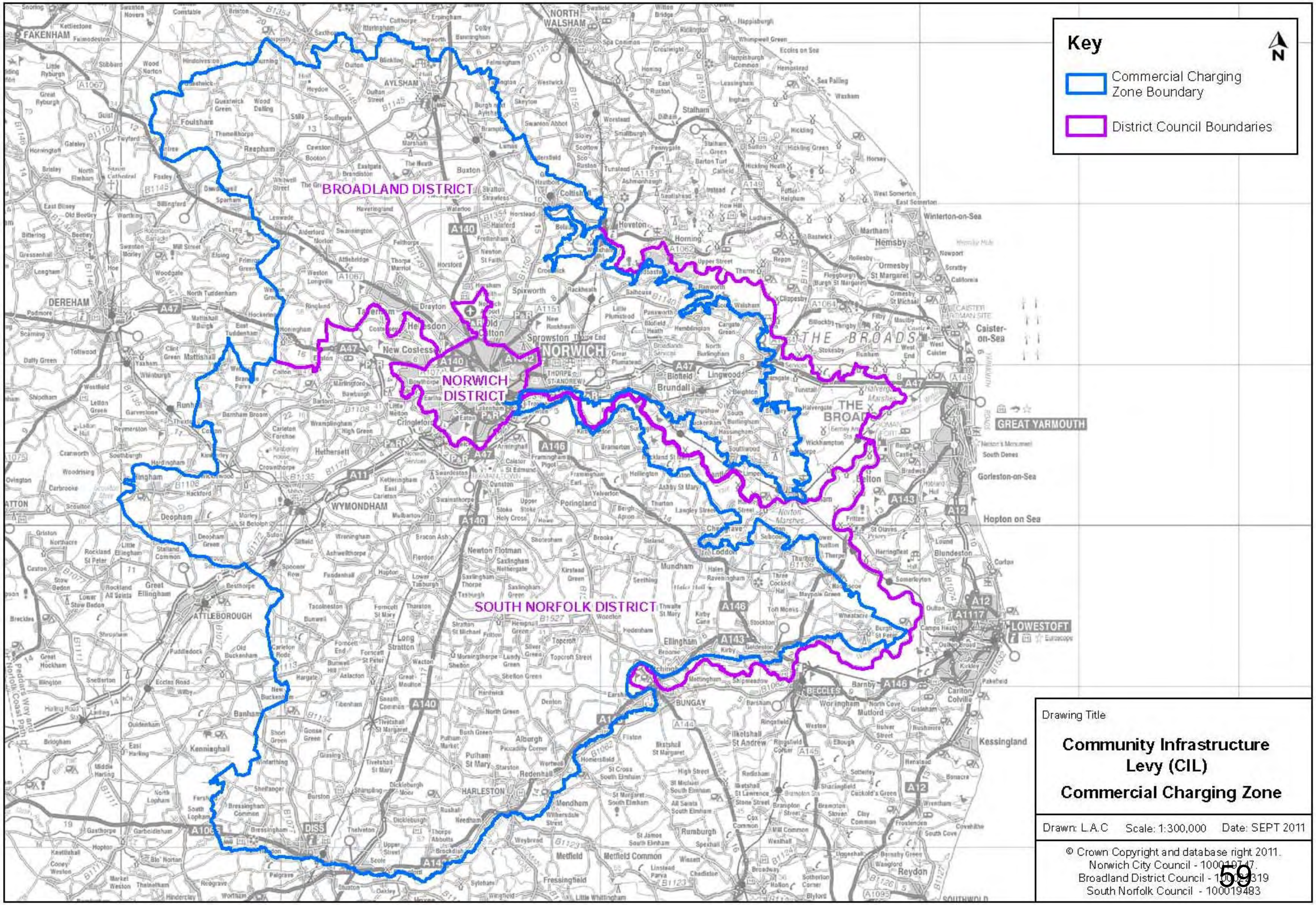
tel: 01603 430144

Appendix 1

Charging Zone Boundary Maps

Map 1:	Commercial
Map 2:	Residential
Map 3:	North west sector
Map 4:	South west sector
Map 5:	South east sector
Map 6:	North east sector

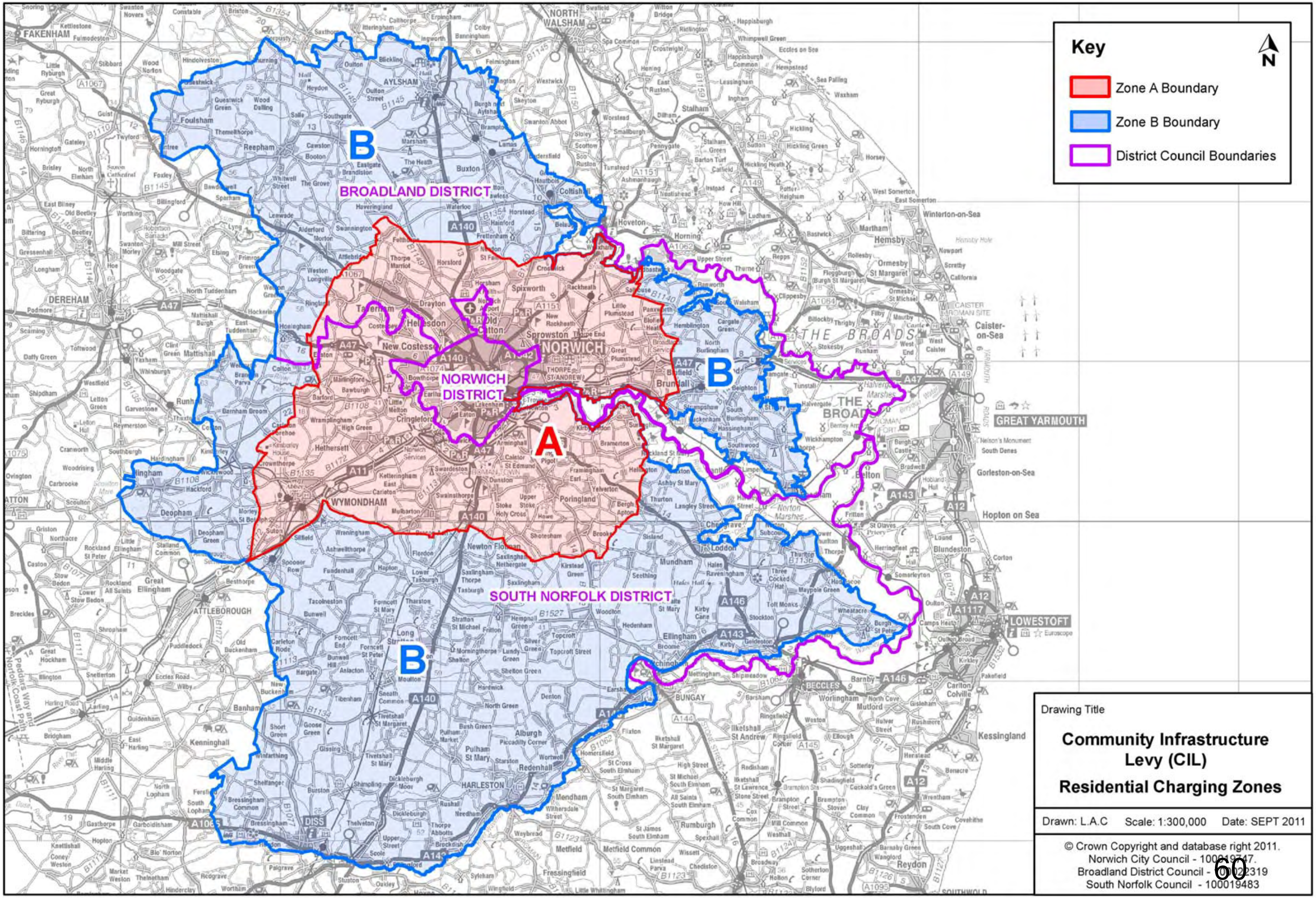


Drawing Title

Community Infrastructure Levy (CIL)

Commercial Charging Zone

Drawn: L.A.C Scale: 1:300,000 Date: SEPT 2011


Key
N
Zone A Boundary
Zone B Boundary
District Council Boundaries
A
B
B
B
BROADLAND DISTRICT
NORWICH DISTRICT
SOUTH NORFOLK DISTRICT
Drawing Title
Community Infrastructure Levy (CIL)
Residential Charging Zones
Drawn: L.A.C
Scale: 1:300,000
Date: SEPT 2011
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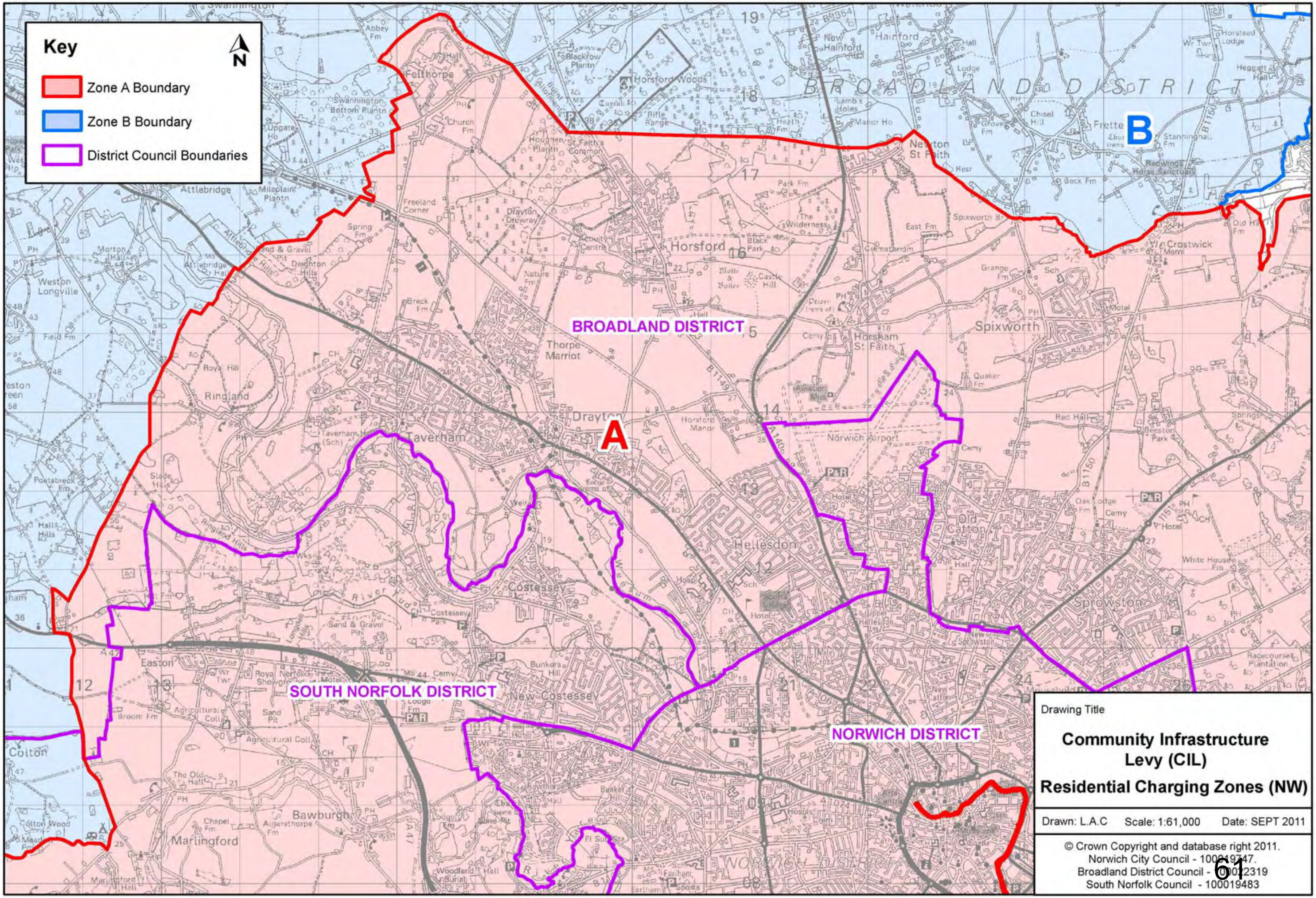
Norwich City Council - 100019747.
Broadland District Council - 100022319
South Norfolk Council - 100019483


Key
N
Zone A Boundary
Zone B Boundary
District Council Boundaries
BROADLAND DISTRICT
SOUTH NORFOLK DISTRICT
NORWICH DISTRICT
A
B
Drawing Title
Community Infrastructure Levy (CIL)
Residential Charging Zones (NW)
Drawn: L.A.C
Scale: 1:61,000
Date: SEPT 2011
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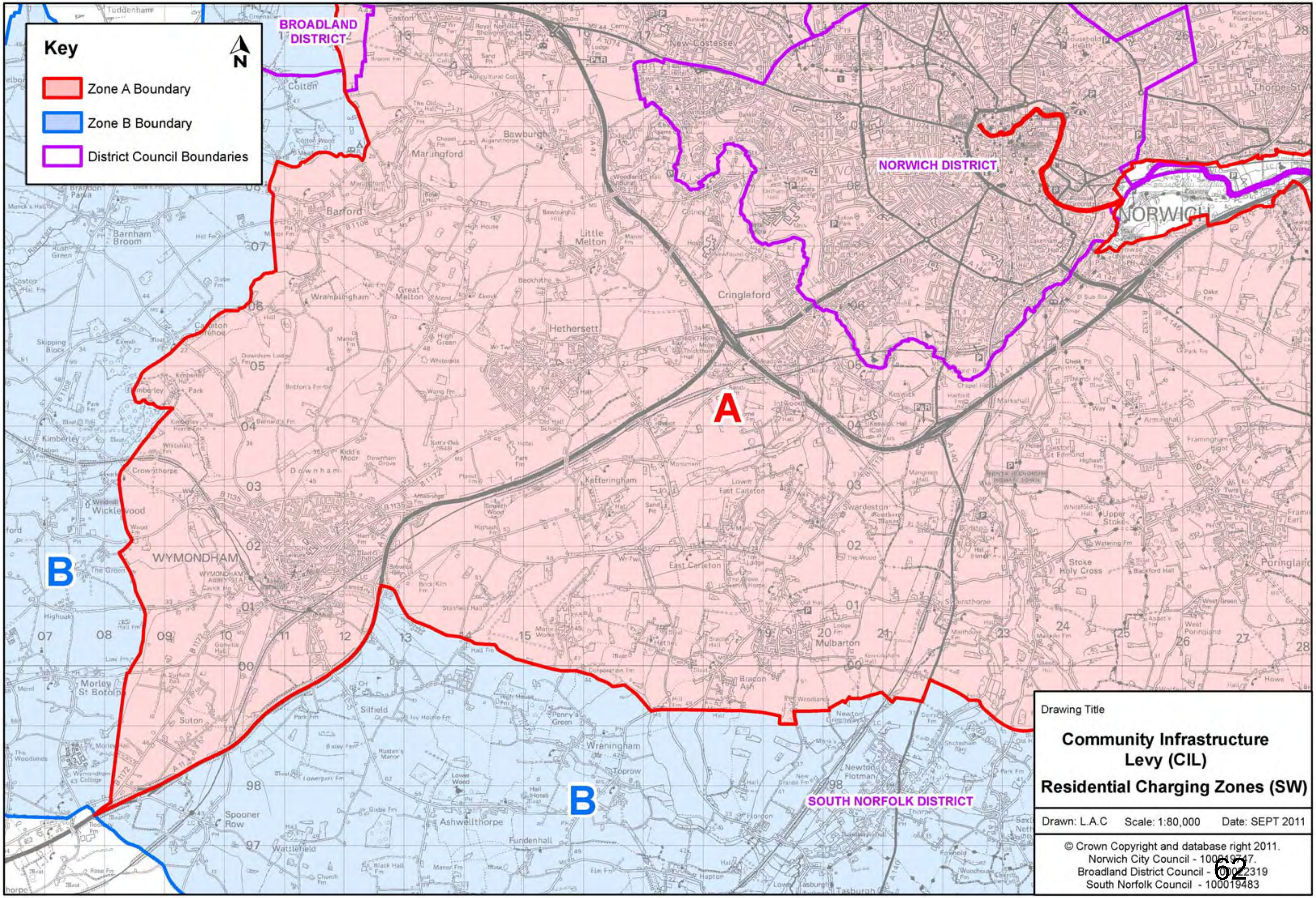
Norwich City Council - 100019747.
Broadland District Council - 100022319
South Norfolk Council - 100019483


Key
N
Zone A Boundary
Zone B Boundary
District Council Boundaries
BROADLAND DISTRICT
NORWICH DISTRICT
SOUTH NORFOLK DISTRICT
A
B
B
WYMONDHAM
Hethersett
Cringleford
Mulbarton
NORWICH
Drawing Title
Community Infrastructure Levy (CIL)
Residential Charging Zones (SW)
Drawn: L.A.C
Scale: 1:80,000
Date: SEPT 2011
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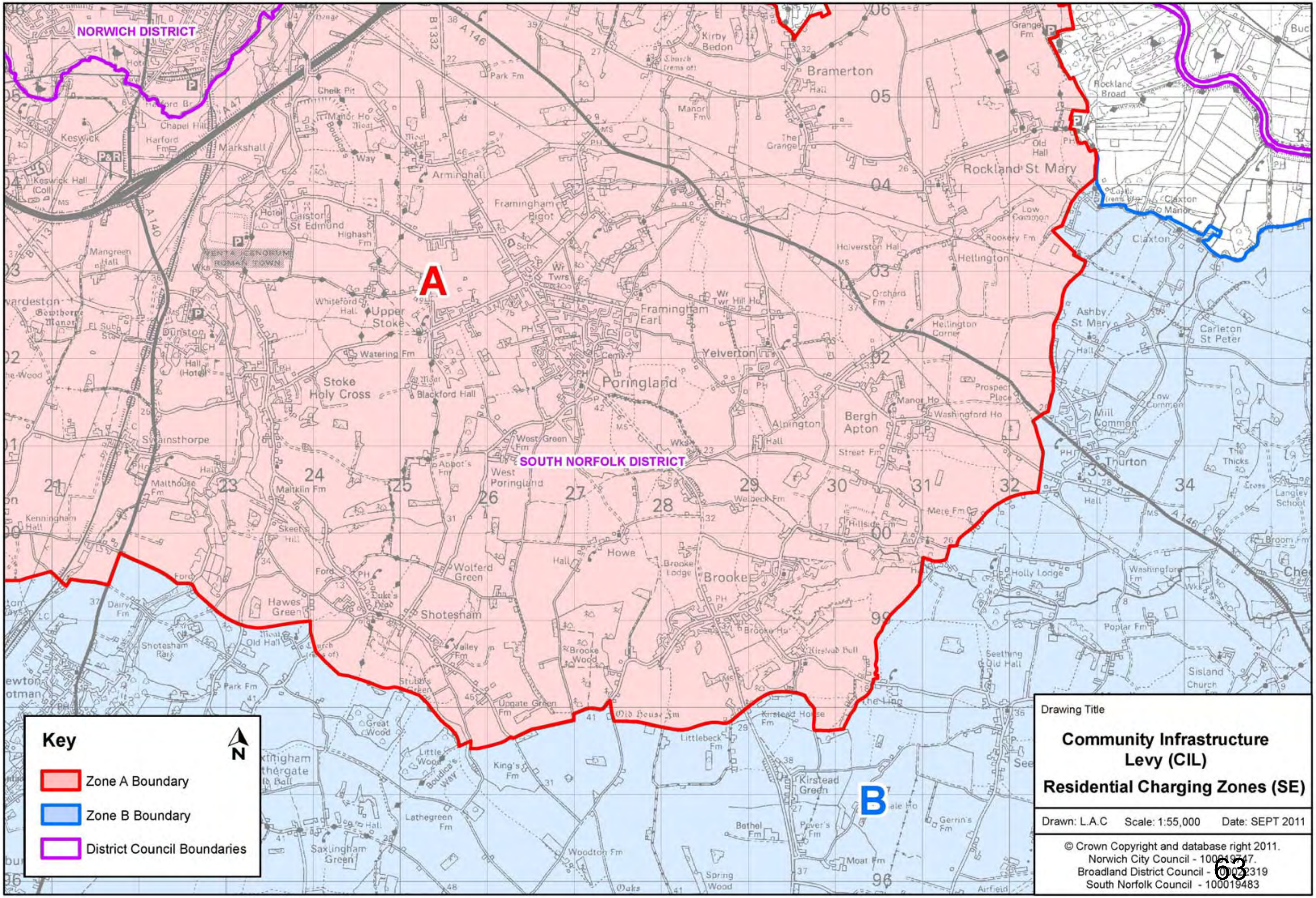
Norwich City Council - 100019747.
Broadland District Council - 100022319
South Norfolk Council - 100019483


NORWICH DISTRICT
SOUTH NORFOLK DISTRICT
A
B
Key
N
Zone A Boundary
Zone B Boundary
District Council Boundaries
Drawing Title
Community Infrastructure Levy (CIL)
Residential Charging Zones (SE)
Drawn: L.A.C
Scale: 1:55,000
Date: SEPT 2011
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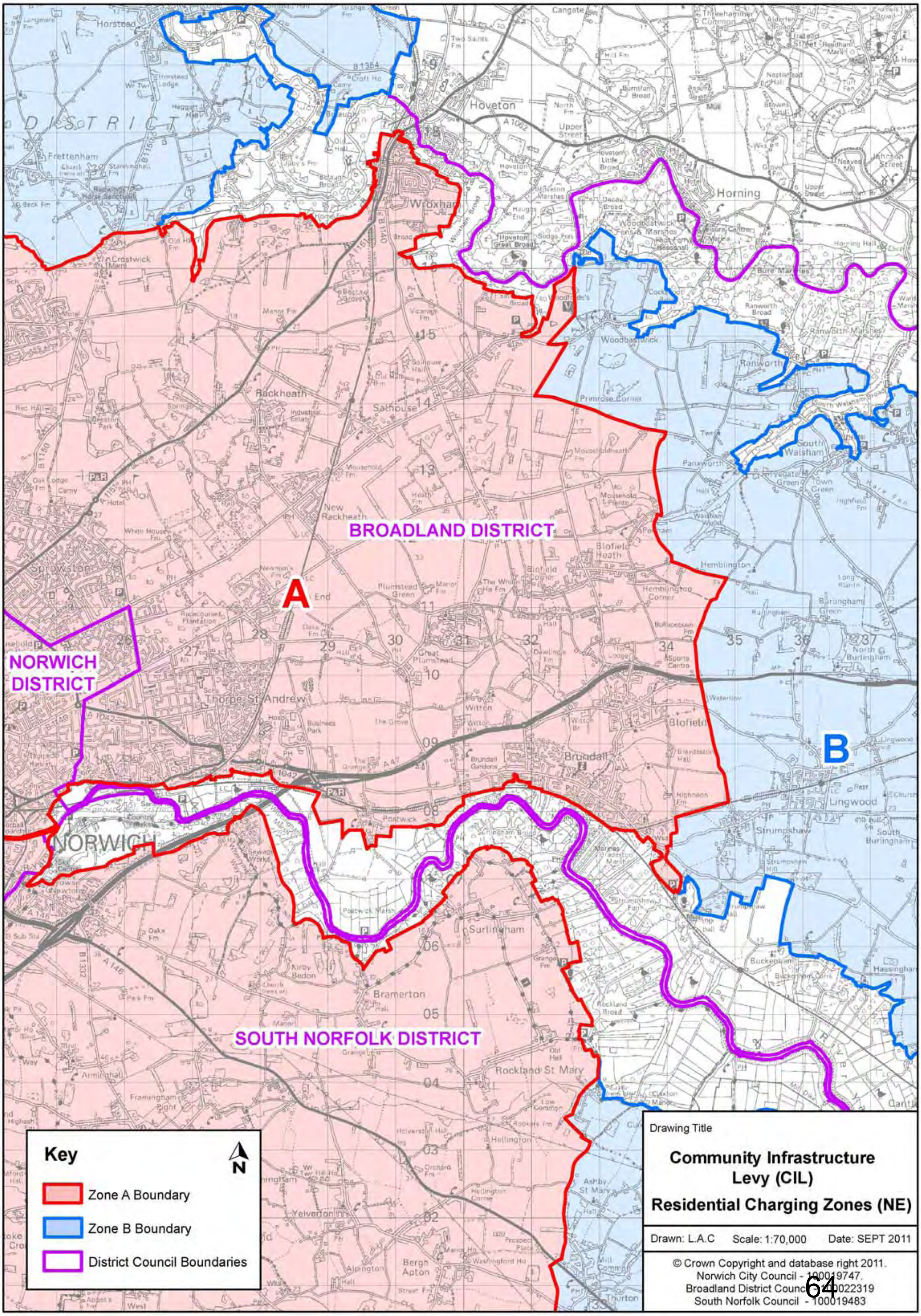
Broadland District Council - 100022319
South Norfolk Council - 100019483


BROADLAND DISTRICT
NORWICH DISTRICT
SOUTH NORFOLK DISTRICT
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Zone A Boundary
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District Council Boundaries
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Drawing Title
Community Infrastructure Levy (CIL)
Residential Charging Zones (NE)
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Appendix 5

Community Infrastructure Levy: Background and Context
December 2011

Contents

The Joint Core Strategy for Broadland, Norwich and South Norfolk was adopted on 24 March 2011. Between 2008 and 2026 the JCS is designed to deliver substantial growth in housing and employment – 37,000 homes and 27,000 new jobs. This is dependent on investment to overcome the deficiency in supporting infrastructure. The JCS cannot be delivered without the implementation of the Norwich Area Transportation Strategy including the Northern Distributor Road. 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.

Significant and timely investment will be required to implement the JCS. A Community Infrastructure Levy has the potential to contribute considerable income to towards providing the essential infrastructure identified in the JCS.

1. Introduction

1.1 This document supports the Community Infrastructure Levy (CIL) Draft Charging Schedules prepared for Broadland, Norwich City and South Norfolk Councils. It does not form part of the Draft Charging Schedules.

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1.2 It outlines the relationship with the spatial strategy set out in the Joint Core Strategy for Broadland, Norwich and South Norfolk (the JCS), the common evidence base on infrastructure needs and viability and the role of CIL in supporting the Local Investment Plan and Programme (LIPP).

1.3 This background and context document also explains some of the reasoning behind the Charging Schedules including:

- the derivation of charging zones
- the role of CIL in helping to close the funding gap between the cost of infrastructure needed and mainstream funding sources (including assumptions about the scale of affordable housing provision)
- the approach to exemptions and in kind contributions
- the staging of payments and
- the potential effect of Localism

1.4 Appendix 1 illustrates the kinds of infrastructure expected to be funded, in whole or part, through CIL, and those where funding through S106, or secured by condition or an agreement under S278 is expected to continue.

2. Scale of development and spatial strategy

2.1 The CIL Charging Schedules set out how developer contributions will be collected to help implement the proposals in the JCS. The JCS was adopted in March 2011 and establishes a spatial strategy to guide future development within Broadland, Norwich and South Norfolk between 2008 and 2026 (with the exception of the area administered by the Broads Authority). The strategy set out in the JCS will be developed through the preparation of further development plan documents as set out in the respective Councils' Local Development Schemes.

2.2 The scale of development proposed in the coming decades is very significant, with approximately 37,000 new dwellings being planned over the period 2008 to 2026. This figure includes commitment outstanding at 2008 in the form of existing planning permissions and allocations, some of which are subject to S106 obligations providing for contributions to necessary infrastructure. Additional growth is likely through windfall developments.

2.3 Approximately 27,000 additional jobs are expected to be created over the same period. Additional retail floorspace of approximately 23,000 square metres is also projected, although because of the volatility of the economy around the time the JCS was adopted, this was based on a shorter term forecast to about 2016.

2.4 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.

2.5 The evidence base underlying the CIL Charging Schedules has also been jointly commissioned by the three local planning authorities and Norfolk County Council who have worked together to draft the proposed Charging Schedules. Although presented as separate schedules to comply with legal requirements, all three rely on the same evidence, are consistent with each other and are intended to support a common Local Investment Plan and Programme (LIPP). For this reason they will be submitted for consideration at one joint examination.

3. Evidence of infrastructure needed

3.1 The infrastructure needed to support the sustainable future of the area has been established through a number of sources.

3.2 The overarching evidence document is an Infrastructure Needs and Funding Study (EDAW/ AECOM 2009). This study quantified in broad terms the infrastructure needed to accommodate the JCS. It included a high level estimate of the cost and some pointers towards potential funding mechanisms.

3.3 The study embraced transport, utilities, social infrastructure and green infrastructure and drew on the conclusions of earlier studies. These included open space and recreation audits for each of the three local planning authorities, a water cycle study, strategic flood risk assessment and a green infrastructure study supported by an implementation plan. The study also benefited from direct dialogue with major infrastructure providers.

3.4 Subsequent work includes continuing engagement by the local authorities with infrastructure providers to develop the LIPP to continue to refine costs and timing.

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3.5 The Infrastructure Needs and Funding Study and the draft LIPP were supporting evidence for the examination of the Joint Core Strategy in November/December 2010. A future CIL examination should not re-open infrastructure planning that has already been submitted in support of a sound core strategy.

3.6 Work has continued to refine and update the LIPP and additional work has been undertaken on Green Infrastructure. The latter is explained in a Topic Paper Green Infrastructure and Open Space (GNDP, 2011).

3.7 The total cost of the infrastructure for which no funding has been identified was about £385 million in late 2011.

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4 Relationship of CIL Charging Schedules to the LIPP

4.1 Both the CIL Charging Schedules and the LIPP are critical documents setting out the requirement to ensure the sustainable future growth of the strategy area, and are complementary in their roles.

4.2 The LIPP is a living document setting out a programme of investment across a wide spectrum of infrastructure required to deliver sustainable development in the area. It functions not only as a management tool for local investment but also as a bidding document for external support. It has been prepared with, and approved by, the Homes and Communities Agency (HCA), a key source of external investment.

4.3 The LIPP is based on the assumed trajectory of future development in the area. It categorises infrastructure according to three time periods, up to 2016, 2021 and 2026, and three levels of "priority". This is reflected in Appendix 7 of the Joint Core Strategy.

4.4 Although the projects have been grouped in three levels of priority, all this investment, and more, is required to deliver the growth identified in the Joint Core Strategy. Together these projects unlock opportunities to directly affect the timing and volume of housing and jobs that can be delivered. It is important to note, therefore, that all three categories are viewed as essential for the sustainable future growth of the area.

4.5 Because the LIPP is necessarily based on assumptions about factors which are inherently uncertain, including the future decisions of private developers as well as future funding it will be regularly reviewed and refreshed every six months. This will include the reexamination of development trajectories in the light of experience.

3.8 A more detailed investment business plan will be produced focusing on the early part of the period

4.6 The LIPP includes assumptions about funding from a variety of sources including mainstream funding through government grants, for example for local transport or hospital investment, future utility investment through Asset Management Plans and future investment by service providers guided by market considerations, such as primary health care. It also makes assumptions about future developer contributions to be funded through the CIL or Section 106 obligations.

4.7 The CIL Draft Charging Schedules are, in contrast, concerned exclusively with setting the rates of CIL contribution according to an assessment of viability based on market conditions and taking account of

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the location and nature of development. While these rates will be subject to indexation according to the prevailing CIL regulations they are otherwise fixed. They can only be amended through the preparation and approval of new Charging Schedules.

4.8 The process for preparation and approval of the Charging Schedules is set out in legislation (Planning Act 2008, part 11, the Community Infrastructure Levy Regulations 2010 and the Community Infrastructure Levy (Amendment) Regulations 2011). This involves evidence gathering, consultation and testing at an independent public examination. Once approved, the Charging Schedules do not form part of the development plan, although they support it.

5 Summary of viability evidence

5.1 Viability evidence is contained in a number of reports

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- An '**Affordable Housing Viability Study**' (Drivers Jonas Deloitte, 2010) was commissioned to inform the JCS and was subject to the public examination of the JCS. It provided an evidence base to support policies delivering a proportion of affordable housing on mixed tenure sites. It was based on a residual valuation model and compared the results of local land values to a range of benchmark land values. It considered the effect of a range of variables such as affordable housing target, build cost, density, greenfield/ brownfield etc. and advised on a single policy target across the JCS area
- Further viability evidence work for the CIL was undertaken and the report '**Viability Advice on a CIL/ Tariff for Broadland, Norwich and South Norfolk**' (GVA, 2010) built on the evidence provided in the Affordable Housing Study This report assessed the potential to raise funding through capture of enhanced land values arising from development. It focused on residential, office, industrial/ warehousing, retail development. It also looked at conventional funding streams and potential for innovative funding, methods of forward funding and different governance models to determine priorities and manage investment. It advised on the potential contribution from different land uses in different parts of the area based on differences in market conditions, and hence viability. The areas are defined by reference to transactions and the experience of the local agents and developers in the area and are presented in the report as generalised zones
- This advice was further refined in the '**CIL Charging Zones Schedule**' (GVA 2011) which defines charging zones on a detailed map base and investigates viability to support developer contributions for a further range of uses
- Subsequent work, including a dialogue with the development interests, has enabled the viability evidence to be refined following publication of the preliminary draft charging schedules. This work is summarised in an additional topic paper.

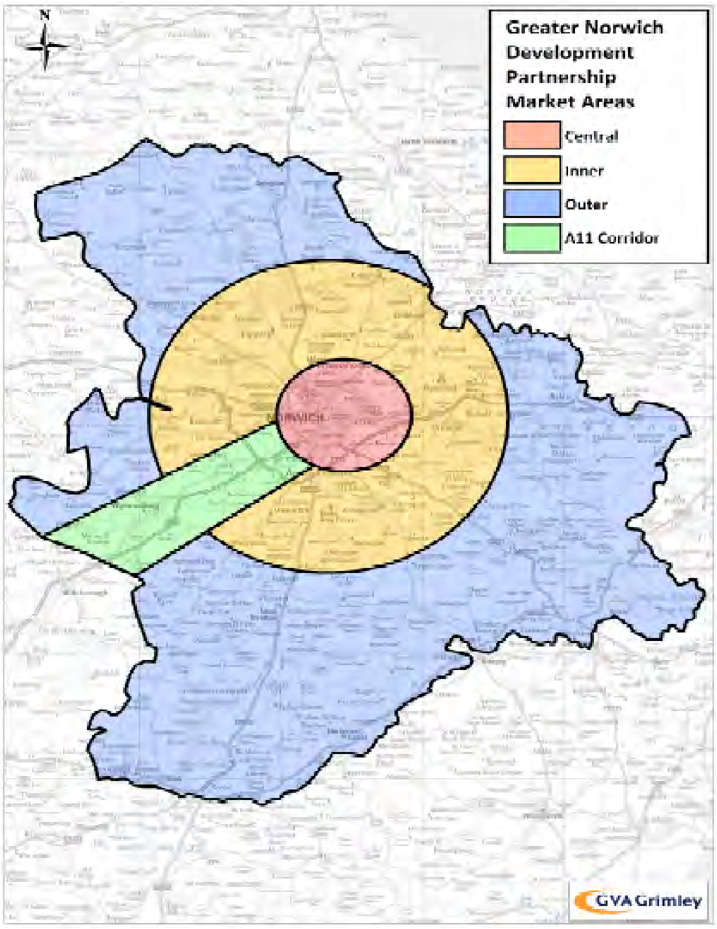
5.2 These reports can be found on the GNDP website at www.gndp.org.uk

6 Assessing the Charging Zone boundaries

Residential development

6.1 The report 'Viability Advice for a CIL/ Tariff for Broadland, Norwich and South Norfolk' (GVA, 2010) identified four market area or zones for residential development (shown in Figure 1 below),

Figure 1: Market Value Areas, Broadland, Norwich and South Norfolk



6.2 Figure 1 shows:

- a central zone focused on the urban area of Norwich
- an inner zone embracing those settlements in close proximity to Norwich
- the "A11 corridor", a specific zone focused on this road and rail corridor, which offers particularly good connections, including public transport, to both Norwich and Cambridge
- an outer zone covering the more rural parts of the area

The report recommended the following potential CIL rates for the four market areas:

Central	A11 Corridor	Inner	Outer
£ per m^2	£ per m^2	£ per m^2	£ per m^2
£225	£195	£170	£85

6.3 The CIL Charging Zones Schedule (GVA, 2011) supported the findings of the earlier advice but found that, for some Market Areas or zones there was not a clear and consistent boundary to differentiate between areas. Further work supported the combination of what was the Central zone, the A11 Corridor and the Inner zone to a single Charging Zone (or Zone A), while keeping the 'Outer' zone (or Zone B). The detailed boundaries of Zones A and B are shown in Appendix 2.

6.4 The report recommended the following potential rates:

Inner (or Zone A)	Outer (or Zone B)
£ per m^2	£ per m^2
£170	£85

6.5 While CIL rates are expressed as pounds per square metre (£ per m2) it is helpful to note that the rates above would equate to a contribution of £15,000 per average dwelling (89m2) in the inner area and £7,500 per average dwelling (89m2) in the outer area.

6.6 As a consequence, there is a single charging zone within the Norwich City Council area, but two residential charging zones within the Broadland District Council and South Norfolk Council areas.

6.7 Zone A covers all of the locations proposed for major growth in the Norwich Policy Area (NPA - shown in Appendix 3), with the exception of Long Stratton.

6.8 The approach to domestic parking takes account of guidance from CLG which confirms that domestic garages are CIL liable. The preliminary draft charging schedules proposed a separate, lower charge for domestic garages within curtilages. On further consideration, it is proposed that there is no separate charge rate for domestic garages, but that the residential rate will apply. This has been adjusted downwards in the inner zone to take account of the extra floorspace added by garages. Decked parking serving apartments will be charged at a nominal rate (£5 per m2), similar to that for multi-storey car parks for public use.

Deleted: It recognises that while a garage within a domestic curtilage may be used in a number of ways, it does not have the same value as the house itself. GVA did not consider garages as part of the Viability Study, but local market evidence suggests that garages add value to a dwelling. For this reason the authorities are consulting on a CIL charge for garages within domestic curtilages of a rate from £25-35 per m2 and are seeking further evidence to support this range

Non-residential development – Commercial development

6.9 The report Viability Advice on a CIL/ Tariff for Broadland, Norwich and South Norfolk (GVA, 2010) originally suggested that there could be three market value areas or zones for commercial development across the area.

6.10 Examination of development completions and pipeline activity in the study area shows a lack of speculative development activity across commercial uses at present. This combined with prevailing economic pressures including constrained development finance mean that speculative development is almost entirely unviable. The study showed that schemes would be only able to make modest CIL contributions, this being highly dependent on their proposed location. The study also suggested in areas where new commercial space is rarely developed, the CIL would need to be minimal in order to support viability.

6.11 The CIL Charging Zone Schedule (GVA, 2011) recommends that, considering the above, a single charging zone for non-residential development should be adopted.

6.12 For retail uses, the proposed charge differs between smaller scale premises and large format convenience goods based supermarkets and superstores, based on significantly different viability assessments.

7 Setting of CIL rates

7.1 Setting the charge should strike a balance between the need to fund infrastructure and the potential effects (taken as a whole) of CIL on the economic viability of development across the area. It is expected that CIL will capture more of the land value uplift that results from development than the previous regime based on S106 contributions. Of necessity this will create downward pressure on land values and profits.

7.2 The evidence on land value capture potential forms the basis for deriving CIL charges. Charge setting needs to take account of other developer contributions and the impact of the economic cycle.

7.3 The rates suggested by the CIL Charging Zone Schedule include the total potential developer contributions arising through CIL and S106 payments. Appendix 1 indicates that CIL <u>is expected to</u> be used to fund the majority of infrastructure costs that are currently secured under S106. Once CIL is introduced, infrastructure secured under S106 will be very significantly reduced and focussed on site specific mitigation. <u>In the case of recreation facilities, although it is anticipated that the initial provision of formal equipment is likely to be funded through CIL, it is currently proposed that ongoing maintenance of open space including recreational facilities and associated equipment will be secured through section 106 obligations.</u>

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Non-residential development

7.4 The viability of non-residential commercial development is highly variable and dependent on factors such as location and demand. This is reflected in the Schedule suggested rates which are already relatively low and tend towards the lower end of the potential rates considered in both reports. Therefore no further general adjustment is proposed to non-residential commercial rates.

7.5 However, to simplify the charging schedule and to take account of the range of development types covered by the use class, the CIL rate for D2 development is reduced from £30 per m2 recommended in the Schedule for sports and leisure development to £25 per m2.

7.6 The Schedule recommends that residential care homes could support a CIL rate of £5 per m2. However residential care homes are often provided by the local authority on a not for profit basis. The authorities consider that not-for-profit community development cannot demonstrate viability in the same way as commercial development and a rate of £0 per m2 is appropriate. As it may be difficult in practice to differentiate commercial and non-commercial development of the same type. Therefore it is proposed to apply this zero rate to all of use classes C2, C2A and D1.

7.7 The draft charging schedule indicates that sui generis uses akin to class A. retail uses and leisure development in class D2 will be charged at the same rate as those uses. Although considered sui generis, fire, police and ambulance stations are considered more similar to class D 1, and will attract a zero charge.

Residential development

7.8 To help judge the impact of the proposed CIL rates it can be compared to current practice. The County Council currently negotiates S106 contributions on the basis of standard charges for education and libraries. For these two services alone the full charge would be £6,746 per contributing dwelling. While this full charge is rarely sought, for larger developments, where a new school is required, the costs of a new build would be expected to be higher than the equivalent standard charge which is derived from the costs of extensions. As the standard charge for education and libraries is applicable to both market dwellings and affordable dwellings it would be equivalent to a CIL charge of £10,200 per dwelling on a development with 33% affordable dwellings.

7.9 An assessment has also been undertaken of a number of recent residential schemes where open book appraisals have been presented and accepted. While these are confidential, the authorities took some comfort from recent examples that have achieved S106 agreements that include contributions that are broadly equivalent to the potential average dwelling rates in each zone as recommended by GVA (£170 per m2 in Zone A and £85 per m2 in Zone B). While the number of such developments is limited they were agreed at a time when residential land values have not adjusted to CIL.

7.10 The analysis of recent open book appraisals has also helped reach a conclusion on the appropriate amount of potential value which should be set aside for residual S106 payments and the cost of works secured under S278. The proposed CIL rates were reduced in the preliminary draft charging schedules by the equivalent of £750 per market dwelling to take account of these ongoing liabilities. This resulted in a potential CIL charge per m2 £160 (equating to £14,250 per dwelling) in Zone A and £75 per m2 (equating to £6750 per dwelling) in the Zone B. Many smaller developments will continue to make no significant S106 contributions.

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7.11 The viability advice assessment and recommendation is based on market conditions, in particular house prices, seen in 2007 prior to the recession.

7.12 House prices have recovered somewhat since the depths of the recession. Land Registry data indicates that house prices in Norfolk, as a whole, were 11% lower in May 2011 compared to May 2007. The recovery in prices is partly a reflection of lower levels of transaction and commentators expect prices to be flat or even fall slightly in 2011. However, research also suggests that prices for the East of England region will recover from 2012 with a 14% average rise for mainstream property between 2012 and 2016 with a return to around their 2007 level by 20115-16.

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7.13 Although this evidence is encouraging, discussions with local agents, developers and landowners combined with recent rates of development have led the authorities to conclude that there are not sufficiently clear signals of a recovery to justify setting rates based on 2007 values at this time. The authorities are also conscious that stimulating the housing market will help to stimulate the area's economy as a whole.

7.14 The charges proposed in the preliminary draft charging schedules were based on an understanding of market trends at that time. For the inner area a range was put forward for consultation. In view of the continuing weakness of the housing market, and more recent forecasts predicting a slower recovery, the draft charging schedule proposes a rate based on the lower end of the spectrum. Evidence in the form of transactions in the outer area is less plentiful, and a more cautious attitude was initially taken. Indeed the limited evidence in some localities would suggest a higher rate could be supported in places, but this is far from comprehensive. Therefore further adjustments to take account of the ongoing weak housing market have focused on the inner area.

7.15 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 The residential rate for the outer area as advised by GVA is already significantly below the level that could be sought under the current S106 based regime. Therefore this rate has not been reduced in the same ways. This is illustrated below.

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	Central	**A11 Corridor**	**Inner**	**Outer**
	£ per m^2	£ per m^2	£ per m^2	£ per m^2
Advice from Viability Study (GVA 2010)	£225	£195	£170	£85
Rates adjusted following the receipt of the Charging Zones Schedule (GVA 2011): • Central A11 Corridor and Inner to a single Charging Zone – Charging Zone A • Outer area viability validated – re-named Charging Zone B				
	Zone A £ per m^2			**Zone B** £ per m^2
Result of Charging Zones Schedule (GVA 2011) combining Central, A11 and Inner areas into a single Zone A	£170 = 24% reduction	£170 13% reduction	£170 0%	£85 0%
Recession and S 106 discount to Zone A (approx 20%)	**£135**	**£135**	**£135**	**£75**
Adjustment to zone A to allow incorporation of garages (assumed 16 m2 per dwelling)	**£115**	**£115**	**£115**	**£75**

Deleted: Reduction of CIL rate by £750 per dwelling for S106 (or similar) ... [1]

7.17 GVA followed standard valuation methods when converting from an average dwelling to £ per m2 and did not include garage space. However garage space developed as part of a residential development incurs a CIL charge. The authorities consider that the best approach to residential garage space is incorporate it into the dwelling charge, with a consequential adjustment in the inner zone to the rate per m2. Decked parking serving apartments will be charged at a nominal rate (£5 per m2), similar to that for multi-storey car parks for public use.

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Review

7.18 With clear evidence of a substantial funding gap for the infrastructure needed to support the development of the area it will be important to ensure that the level of CIL income is maximised. Therefore, the three councils intend to commit to an early review of CIL within two years of the adoption of the charging schedule, with a view to raising the rates to take account of market recovery.

8 Cost of infrastructure compared to expected CIL revenue trajectory

8.1 The total infrastructure costs in Appendix 7 of the JCS are based on the assumed trajectory in Appendix 6 of the JCS.

8.2 These demonstrate that not only is there a significant funding gap to justify the introduction of CIL across the area as a whole, but also within each authority area. It should be noted that although much of the infrastructure cost can be assigned to a particular local planning authority based on its anticipated location, there are some elements with a much wider effect, where the overall cost has had to be apportioned. This applies, for example to cross boundary transport infrastructure, or infrastructure located in one authority's area, but where benefits will accrue to a neighbouring area. Similarly, some large scale utility investment will serve development in more than one local planning authority area.

8.3 The anticipated CIL income from residential development is about £221 million (based on the housing trajectory to 2026 in appendix 6 of the JCS and assuming a delayed start to delivery of 2013) and will provide by far the largest overall contribution. Non-residential development will contribute only small amounts for investment through CIL

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- Based on evidence supporting the JCS it is possible that around 300,000 m2 of B class floorspace could be developed, although this figure could vary significantly. At £5 per m2 this would provide CIL investment of £1.5million
- For general retail a reasonable assumption might be 23,000m2 of retail at £25m2 giving £0.6milion. Although there is no identified need for large scale supermarkets it is possible that some development of this type will come forward in the plan period. An assumption of 10,000 m2 at £135 per m2 would contribute £1.35million
- Even taking account of contributions from other types of commercial development it is unlikely that investment from non-residential CIL will be much over £5 million

8.4 Current spending cuts and changes to funding regimes make it extremely difficult to predict the availability of Government funding to support growth. Potential support in the GNDP area will include:

- Department for Transport funding for major schemes. Based on previous bidding for support, we are assuming that funding of up to £90m will be available for Postwick junction improvements and the NDR

- Mainstream transport funding through the LTP process for improvements (not maintenance) might be in the range £10million to £60million. However, while this funding might help support some LIPP schemes such as public transport improvements it is not available to support individual schemes over £5million. Investment tends to focus on overcoming existing problems although such schemes can also benefit growth
- Mainstream education funding to support growth.
- Other central government funding streams to support growth (such as the Regional Growth Fund) will be available but are entirely unpredictable
- Legislation/regulation to allow Tax Increment Funding is being introduced but the potential impact on the local area is unclear
- New Homes Bonus may provide some investment for infrastructure but when this scheme becomes budget neutral it is unclear how much net additional funding this will represent
- A large amount of infrastructure, principally utilities, is funded through relevant Asset Management Plans agreed by the respective Regulator. In some instances there is no alternative to funding by this means, though in some areas developer contributions alongside investment by the relevant utility may be appropriate. It is anticipated that utilities investment will continue to be largely funded through the AMP process

8.5 This highlights not only the necessity to secure developer contributions in order to provide the necessary infrastructure, but also the need for continued support through mainstream funding. Even if these can be achieved, the timing of necessary infrastructure compared with the timing of CIL receipts will mean that, through the LIPP process, it will be necessary at times to use prudential borrowing powers.

8.6 It is also clear that continued cooperation between the partner authorities will be required in order to deliver key infrastructure across administrative boundaries, and to allow for the use of funds raised in one part of the area to support infrastructure in another. The question of appropriate governance to enable these issues to be addressed is covered in section 14.

9 Affordable housing assumption

9.1 The JCS includes a policy seeking affordable housing on mixed tenure sites above specified thresholds. The target is graduated with a lower contribution sought from small sites, rising to 33% on sites of above 16 dwellings, or the equivalent area.

9.2 The affordable housing study concluded that the same target should be adopted across the JCS area, but acknowledged that changing the balance of tenure or reducing the overall amount of affordable housing may be necessary if a particular development could be shown to be unviable or marginal at the target level. In view of particular circumstances surrounding smaller sites, the study recommended the tapered approach outlined above. Although the study supported a target level of 40%, subject to appropriate flexibility in negotiations, the inspectors conducting the examination into the JCS recommended setting the target at 33% to avoid undue front loading to deal with the current backlog. The study concluded that the factors which most significantly affect viability are sales values, construction costs, and site cost (represented in the study by a number of benchmark values). In marginal cases, public sector grant is likely to be significant if the full target proportion of affordable houses is to be achieved.

9.3 In assessing the potential CIL contribution from mixed tenure schemes where a proportion of affordable houses will be delivered through section 106 obligations, the report 'Viability Advice on a CIL/ Tariff for Broadland, Norwich and South Norfolk (GVA, 2010) looked at the impact of seeking 40%, 30% and 20% affordable dwellings. The 40% figure was based on the target in the submitted JCS and is no longer directly relevant. The proposed CIL rate is that based on the estimate of the report of the rate which could be afforded, whilst ensuring that at least 20% affordable housing could be delivered in all locations, without National Affordable Housing Programme grant. This assumes that some schemes will deliver the target 33%, while paying the proposed level of CIL, though it is likely that some may also need public sector support. Where viability is an issue, the percentage of affordable homes will need to be negotiated in accordance with Policy 4 of the JCS. One option which was considered but discounted was to set the CIL contribution at a level where at least 30% affordable housing could be delivered in all locations. Whilst this would have reduced the need for such negotiations, it would have significantly reduced the charging rate and meant the most viable schemes would contribute less CIL than they could afford to pay. This would increase the infrastructure funding gap. The proposed CIL charge seeks to strike a balance between need to fund the necessary infrastructure by securing a reasonable level of developer contribution and the achievement of the affordable housing target.

9.4 For the purposes of calculating forecast CIL revenue, it has been assumed that 30% of all new dwellings will be affordable as defined in Planning Policy Statement 3, but including the new affordable rent tenure.

10 Division between CIL/ Section 106

10.1 The infrastructure to be funded by CIL will be set out in lists to be published from time to time by the Charging Authorities and published on their websites (known as regulation 123 lists). Appendix 1 gives an indication of the categories of infrastructure currently intended to be funded by CIL or by other means.

10.2 In general it is proposed that site specific mitigation measures, including providing a safe and acceptable means of access to a public highway, or roads providing access to a development, will be secured through planning conditions or S106 obligations.

10.3 Similarly, it is currently proposed that the transfer of land to provide for facilities primarily required for a particular development (taken as a whole when planning permission is granted will be secured through section 106 obligations. This is likely to apply, for example, to recreational open space to meet relevant requirements within the development, other green infrastructure to serve the development, or the provision of a school primarily to serve the development. In the case of smaller sites, when no onsite provision is realistic, section 106 obligations may be used to secure improvement of specified existing facilities.

10.4 It is also intended that ongoing maintenance of open space, including any play or sports equipment, and green infrastructure provided by a developer to serve that development is expected to be secured through section 106 obligations, and this has been taken into account in setting proposed levels of CIL.

10.5 Where CIL is used to fund recreational equipment, or other built infrastructure, it is recognized that it may sometimes be more cost effective to procure the onsite provision through the developer, using CIL funds, subject to procurement rules.

10.6 Other more strategic infrastructure will be supported in whole or in part through CIL.

Long Stratton

10.7 The need to provide for a bypass as a prerequisite to the new housing in Long Stratton presents some complications in terms of how best to administer the CIL. There is a need to approach the operation of CIL differently in Long Stratton and South Norfolk Council has investigated a number of different options. The chosen option is to secure the site specific access element of the road infrastructure through S38 and the additional construction required to provide for a complete bypass through CIL. A Section 38 agreement ensures that roads built as part of a development (on land within that development) that the public would use are designed and built to a standard that will be adopted by the County Council as maintainable at the public expense.

10.8 There will need to be a clear distinction between the access road delivered through Section 38 and the part of the road that forms the bypass but this option provides a way forward to deal with the complexities of CIL in Long Stratton. The location of development would need to be known to work up the exact details of the split and there would need to be negotiation and co-operation between all parties involved in bringing forward growth in Long Stratton to make this option work.

11 Staging of payments

11.1 Under the Community Infrastructure Levy (Amendment) Regulations 2011 which came into force in April 2011, authorities who wish to allow payment to be made by instalments are required to produce an Instalment Policy setting out only:

a. The date on which it takes effect, which must be no earlier than the day after the instalment policy is published on the website;

b. The number of instalment payments;

c. The amount or proportion of CIL payable in any instalment;

d. The time (to be calculated from the date the development is commenced) that the first instalment payment is due, and the time that any subsequent instalment payments are due; and

e. Any minimum amount of CIL below which CIL may not be paid by instalment.

11.2 Where there is no instalment policy, payment will be payable in full at the end of a period of 60 days beginning with the intended commencement date of development. The partner authorities can see merit in such a policy, particularly at difficult times in the economic cycle.

11.3 Assuming the charging schedule is adopted in the summer of 2012 CIL will only apply to planning permissions granted after that time. The authorities are proposing to introduce a phased payments policy. As this links payments to actual development rather than the granting of permission, it can be expected that CIL payments will not generally be made until 2013 and beyond.

11.4 An indicative draft instalment policy is included in appendix 4.

12 Exemptions and in kind contributions

12.1 The Regulations (part 6) set out statutory exemptions in respect of charities and relief for social housing. Affordable houses are granted 100% relief from CIL.

12.2 The Government has produced an information note on relief, and the Planning Advisory Service has produced an online calculator (available on www.pas.gov.uk) to help interested parties calculate the appropriate level of relief for affordable housing on any given development.

12.3 Regulation 55 allows a charging authority to grant discretionary relief in exceptional, specified circumstances. The charging authority may agree to a reduction for developments accompanied by a section 106 agreement where the developer can demonstrate that development of the site is not viable (taking into account the CIL charge and Section 106 contribution) and the cost of complying with the S106 obligation exceeds the CIL charge. In such cases the developer will be expected to demonstrate this (as set out in regulation 57) by providing an independent assessor with “open book” accounts.

12.4 Discretionary relief might promote regeneration or the development of an allocated site regarded as critical to the delivery of the strategy for the area. In practice, however, the scope of relief which could be offered is likely to be very limited by European state aid regulations. The process is quite onerous and it would be the responsibility of the local authority to ensure state aid regulations are not breached. The availability of discretionary relief, to some degree at least, undermines certainty and predictability that is such an advantage of CIL.

12.5 At this time, the authorities do not consider that the benefits of offering discretionary relief outweigh the disadvantages. However, this will be kept under review and the authorities will consider introducing a policy allowing discretionary relief in the light of experience.

12.6 There will continue to be some flexibility in the negotiation of the terms of any section 106 contributions.

12.7 Regulation 73 provides the potential for transfer of land as CIL payment in kind. Within the GNDP area, where land is required within a development to provide built infrastructure to support that development (such as a school) it will be expected that land transfer will be at no cost to the local authorities and will not be accepted as a CIL payment in kind. Where the facility is needed to serve more than one development, any land transfer over and above that needed for the specific development would be regarded as payment in kind of CIL.

13 Transitional arrangements

13.1 Regulation 128 provides that where planning permission is granted before the adoption of a charging schedule, CIL will not be liable. The regulation defines "planning permission" in such a way that applications for the approval of reserve matters granted after the adoption of the charging schedules, but in pursuance of an outline permission granted before its adoption would not be liable to CIL, but would continue to be liable for contributions through Section 106.

14 Governance

14.1 The Government is keen to get development underway and have introduced a 'presumption in favour of sustainable development'. The presumption will help the country's economic recovery by ensuring proposals in line with local plan policies get approval without delay. The Planning Minister, Greg Clark, has said "Britain urgently needs new homes, new green energy and transport links, and space for businesses to grow. By putting this presumption at the heart of our new framework we will give the planning system a wake up call so the right sort of development, that everyone agrees is needed, gets approval without delay".

14.2 The Greater Norwich Development Partnership is eager to work with developers, service providers and communities to implement the adopted JCS and introducing a CIL is key to delivery.

14.3 Although three charging schedules have been produced, to comply with legal requirements, the three charging authorities of Broadland, Norwich, and South Norfolk councils are committed to cooperating, together with Norfolk County Council in managing the future development of the area.

14.4 This will be undertaken through a Greater Norwich Development Partnership Board including senior elected Councillors from each of the authorities and will jointly agree prioritisation for investment through the Local Investment Plan and Programme.

15 Localism

15.1 The Government has signalled that there are likely to be further amendments to the CIL Regulations to take into account the Localism Act. The key amendments are likely to be in relation to:

- **Neighbourhood Planning** The Government has already indicated that Charging Authorities should pass a meaningful proportion of CIL Funds to local neighbourhoods. Regulations are likely to set a minimum percentage of the net CIL receipts to be passed to local communities (e.g. the Parish Council or Town Council in the two rural districts) who express an interest in receiving it to support infrastructure projects.
- **Maintenance Payments** Amendments to the Regulations are likely to clarify that CIL can be spent on the ongoing costs of providing infrastructure (e.g. maintenance)
- **Affordable Housing** At present affordable housing lies outside CIL and is negotiated separately through the S106 process. Amendments to the Regulations may allow CIL revenue to be used for the provision of affordable housing, although affordable housing will not be liable to pay CIL. Where such an approach is adopted, the details of the approach taken are likely to have to be spelled out in a local pan.

15.2 The GNDP will need to take into account emerging Government guidance before finalising and adopting the CIL Charging Schedule.

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Appendix 1

Types of Infrastructure to be funded or part funded by CIL and Types of Infrastructure to be funded solely through Section 106 Obligations; S278 of the Highways Act; other legislation or through Planning Condition

	Infrastructure to be funded, or part funded, through CIL	**Infrastructure and other items to be funded through S106 Obligations; S278 of the Highways Act; other legislation or through Planning Condition**
Transportation	Transportation infrastructure for walking, cycling, public transport and highways.	• Highway works to mitigate the direct impact of development, including site access or adjacent junction improvements to facilitate traffic movements to the site, and parking control. • Pedestrian / cycle and bus facilities on site or providing direct access to the site. • Travel planning including, where relevant, area wide travel planning. • Certain specific schemes serving the access needs of a development. For example: o Long Stratton bypass (part) o Growth triangle internal Link Road. o Access improvements to serve Norwich Research Park
Education	Provision for which the Local Education Authority has a statutory responsibility including early years, primary and secondary (covering ages 3 – 19)	See ‘Transfer of Land’ in this table
Green infrastructure	Strategic green infrastructure	Green Infrastructure initiatives relating to a particular development

	Infrastructure to be funded, or part funded, through CIL	Infrastructure and other items to be funded through S106 Obligations; S278 of the Highways Act; other legislation or through Planning Condition
		• Strategic provision integral to larger development sites such as the Old Catton, Sprowston, Rackheath, Thorpe St. Andrew Growth Triangle. • The purchase of biodiversity credits See also 'Transfer of Land' in this table
Sport and Play Provision	Sport and Play Provision • Including outdoor sports pitches, courts and greens, informal recreational open space, equipped and unequipped space for children and teenagers, swimming pools, and indoor sports halls.	See 'Transfer of Land' in this table
Community Infrastructure	Including community buildings, library provision, public buildings	Other community infrastructure related to a particular development • Community infrastructure provided within a commercial or residential building • Support for the administration and setting up of local community groups to serve a new community • Community development support See also 'Transfer of Land' in this table
Historic environment	Heritage interpretation provided off-site.	Protecting or examining and recording the historic environment. On site interpretation.
Waste Recycling	Provision of household waste recycling and waste	On site collection facilities and waste reduction

	Infrastructure to be funded, or part funded, through CIL	Infrastructure and other items to be funded through S106 Obligations; S278 of the Highways Act; other legislation or through Planning Condition
	management facilities.	initiatives
Renewable Energy infrastructure	Renewable Energy infrastructure	The establishment and ongoing maintenance of onsite or nearby low carbon or renewable energy installations associated with new development, including district heating/cooling systems
Emergency Services (Police, Fire and Ambulance)	Emergency services premises for growth	Provision of fire hydrants.
Flood prevention and drainage	Strategic flood defences where not related to specific development proposals (likely to be funded primarily through Environment Agency)	The establishment and ongoing maintenance of sustainable drainage systems and any other water infrastructure which is not adopted by a licensed water undertaking or other responsible body.
Art and Cultural Infrastructure and Public Realm	Off-site provision/ enhancements	On-site provision/enhancements
Economic Development Infrastructure	Including off-site starter business units, assistance with the provision of Broadband, supporting other employment initiatives.	On-site infrastructure and non-infrastructure Initiatives such as skills training.
Affordable Housing		Provision of affordable housing and housing to meet other specified needs such as supported housing or lifetime homes.
Health Care	Expected to be funded through NHS funding streams, though in some circumstances contributions from locally raised revenues and may	

	Infrastructure to be funded, or part funded, through CIL	Infrastructure and other items to be funded through S106 Obligations; S278 of the Highways Act; other legislation or through Planning Condition
	be appropriate.	
Utilities	These are likely to be funded primarily through relevant Asset Management Plans. Any infrastructure contributions from CIL will be limited to infrastructure serving a strategic purpose beyond the needs of a single development location, with part funding through the AMP where improvements deal with existing deficiencies.	Other contributions to utility improvements specifically required for a particular development. Provision of utilities infrastructure within a development site, including nearest available connection to mains services.
Contamination		Any necessary on site investigation and remediation
Maintenance	Once the regulations allow for it infrastructure will include maintenance. However in the case of open space and green infrastructure, including any associated equipment, which is provided to serve a particular development, future maintenance will be secured through a section 106 obligation.	Subject to legislative restraints, infrastructure provided under S106 contributions will include an element for maintenance. However, in the case of recreational equipment to serve a specific development, even where the initial provision of the equipment is funded through CIL, future maintenance will be secured through a section 106 obligation.
Transfer of land	Where the facility is needed to serve more than one development, any land transfer over and above that needed for the specific development would be regarded as a payment in kind of CIL.	Where the facility in question is primarily needed to serve the specific development the land will be expected to be transferred at no cost to public authorities.

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Appendix 2: Charging Zones maps

Map 1:	Commercial
Map 2:	Residential
Map 3:	North west sector
Map 4:	South west sector
Map 5:	South east sector
Map 6:	North east sector

Appendix 3: Norwich Policy Area

Appendix 4:

Indicative Policy for staging payments of Community Infrastructure Levy

The Community Infrastructure Levy Regulations 2010 (as amended)

In accordance with Regulation 69 (b) of the Community Infrastructure Levy (Amendment) Regulations, 2011, *(insert council name)* (the Charging Authority) will apply the following instalment policy to all development which is CIL liable.

This policy will come into effect on *(insert date)*.

In all cases, the calculation of the total amount payable will include the value of any payment in kind as assessed by an independent person.

Number, Proportion and Timing of Instalments

Development incurring CIL liability equal to or over £ 2,000,000
Four instalments.

Deleted: equal

1. 60 days after commencement: 15%
2. 270 days after commencement: 15%
3. 540 days after commencement: 20%
4. 720 days after commencement: 50%

Deleted: 360

Development incurring CIL liability £ 1,000,000 to £1,999,999
Three instalments.

Deleted: equal

1. 60 days after commencement: 20%
2. 360 days after commencement: 30%
3. 540 days after commencement: 50%

Development incurring CIL liability £60,000 to £999,999
Two instalments

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1. 60 days after commencement: 25%
2. 360 days after commencement: 75%

Development incurring CIL liability up to £ 59,999
One instalment at 60 days after commencement of the development.

Appendix 5: Glossary of terms

Affordable housing
Housing provided for sale, rent or shared equity at prices in perpetuity below the current market rate, which people in housing need are able to afford

Allocated
Land which has been identified for a specific use in the current Development Plan

Asset Management Plans
The means by which Service Providers such as water, energy and health authorities plan for future investment

Brownfield land, brownfield site
Land or site that has been subject to previous development

Charging Authority
The charging authority is the local planning authority

Charging Schedule
The Charging Schedule set out the charges the Charging Authority proposes to adopt for new development

Comparison goods
Household or personal items which are more expensive and are usually purchased after comparing alternative models/types/styles and price of the item (e.g. clothes, furniture, electrical appliances). Such goods generally are used for some time

Development
Defined in planning law as 'the carrying out of building, engineering, mining or other operations in, on, over, or under land, or the making of a material change of use of any building or land'

Development Plan
A set of plans guiding future development in the area. The development plan consists of the Regional Spatial Strategy and locally prepared Development Plan Documents

Development Plan Document
Locally prepared document on a specific topic which forms part of the development plan and which subject to independent examination before adoption. Also commonly referred to as DPDs

Development brief
A document describing and leading the form and layout of development in a prescribed area

Green infrastructure
Green spaces and interconnecting green corridors in urban areas, the countryside in and around towns and rural settlements, and in the wider countryside. It includes natural green spaces colonised by plants and animals and dominated by natural processes and man-made managed green spaces such as areas used for outdoor

sport and recreation including public and private open space, allotments, urban parks and designed historic landscapes as well as their many interconnections like footpaths, cycleways, green corridors and waterways

Infrastructure
The network of services to which it is usual for most buildings or activities to be connected. It includes physical services serving the particular development (e.g. gas, electricity and water supply; telephones, sewerage) and also includes networks of roads, public transport routes, footpaths etc as well as community facilities and green infrastructure

Local Development Framework (LDF)
The Local Development Framework (LDF) is the term used to describe the set of documents which will eventually include all of the planning authority's local development documents, one of which will be the Core Strategy

Local Development Scheme (LDS)
The LDF timetables are set out in the local authorities' Local Development Schemes

Local Transport Plan (LTP)
A five-year integrated transport strategy, prepared by local authorities in partnership with the community, seeking funding to help provide local transport projects. The plan sets out the resources predicted for delivery of the targets identified in the strategy

Low carbon
To minimise carbon dioxide emissions from a human activity

New Homes Bonus
The New Homes Bonus is a government funding scheme to ensure that the economic benefits of growth are returned to the local area. It commenced in April 2011, and will match fund the additional council tax raised for new homes and properties brought back into use, with an additional amount for affordable homes, for the following six years

Northern Distributor Road (NDR)
A dual-carriageway road proposed to the north of Norwich, linking the A47 to the south-east of the city with the A1067 in the north-west

Norwich Policy Area
Part of the county which is centered on and strongly influenced by the presence of Norwich as a centre for employment, shopping and entertainment, generally comprising the fringe and first ring of large villages around the city of Norwich, but extending to Long Stratton and Wymondham (see Appendix 3)

Planning obligations
Legal agreements between a planning authority and a developer, or undertakings offered unilaterally by a developer to ensure that specific works are carried out, payments made or other actions undertaken which would otherwise be outside the scope of the planning permission. Often called Section 106 (S106) obligations or contributions. The term legal agreements may embrace S106.

Regional Growth Fund
The Regional Growth Fund (RGF) is a £1.4bn fund operating across England from 2011 to 2014. It supports projects and programmes that lever private sector investment creating economic growth and sustainable employment

Renewable energy
Energy generated from sources which are non-finite or can be replenished. Includes solar power, wind energy, power generated from waste, biomass etc

Section 38
Section 38 (S38 of the Highways Act, 1980) relates specifically to the creation of new highways upon land in the ownership of anyone other than the highway authority. It is an agreement between the land owner and the authority for the construction of new highway and the ultimate adoption by the authority as a public highway.

Section 106 (S106) contributions
See Planning Obligations

Section 278
A Section 278 Agreement (S278 of the Highways Act, 1980) is an agreement made between a developer and a Highway Authority to enable works to be carried out on the public highway to facilitate development.

Shared garages
Garages under cover, but within a building where the individual parking area is not secured such that it may be securely used for other purposes e.g. storage by the individual householder.This might apply for example in ground floor of basement parking under a multistory block of apartments.

Tax increment funding
New borrowing powers, known as Tax Increment Financing (TIF), will allow Local Authorities to borrow against predicted growth in their locally raised business rates. They can use that borrowing to fund key infrastructure and other capital projects, which will support locally driven economic development and growth. Introducing TIF will require legislation

Use classes
The Town and Country Planning (Use Classes) Order, 1987, a statutory order made under planning legislation, which groups land uses into different categories (called use classes). Change of within a use class and some changes between classes do not require planning permission. A guide to use classes can be found at: http://www.planningportal.gov.uk/permission/commonprojects/changeofuse/

For more information or if you require this document in another format or language, please contact the GNDP:

email: cil@gndp.org.uk
tel: 01603 430144

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Reduction of CIL rate by £750 [r1]per dwelling for S106 (or similar)	£160 = 5% reduction	£160 = 5% reduction	£160 = 5% reduction [r2]	£75 = 10% reduction

Appendix 6: Summary of Community Infrastructure Levy charges elsewhere

Authority	**Stage**	**Residential CIL maximum (£/ sq m)**	**Residential CIL minimum (£/ sq m)**	**Comments/ notes**
Brent	Consulting on preliminary draft	200	Not applicable	No obvious regulation 123 list. Will be chargeable alongside Mayor's proposed CIL of £35
Colchester	Consultation on draft	120	Not applicable	Uniform rate. No obvious regulation 123 list, but draft implementation plan identifies schemes funded by "CIL/section 106/other". Some schemes not quantified. Where quantified schemes have been shown as having more than one funding source, these have been considered for this purpose as equal streams. On this basis CIL is expected to fund just over £91 m and section 106 just over £108 m
Exeter	Not applicable			Exeter City Council, which is involved in the Exeter and East Devon growth point has not yet produced a draft charging schedule, but has produced an infrastructure study
Huntingdonshire	Consultation on draft charging schedule	85	Not applicable	Uniform rate across the district. Some interpretation of infrastructure table is needed, but already identified section 106 seems to be assumed to fund about 23% of schemes for which there is no other 'identified' funding, which appear to amount to about £208m. There is a huge additional amount of infrastructure to be funded by "other" sources but would otherwise be funded by CIL. This includes, for example major trunk road schemes.

Authority	Stage	Residential CIL maximum (£/ sq m)	Residential CIL minimum (£/ sq m)	Comments/ notes
Newark and Sherwood	Adopted	70	0	Draft regulation 123 list does not identify section 106 projects, but infrastructure delivery schedule produced for examination indicates a total of £40.4 m funded through CIL and £58.5 funded through section 106 including primary schools, primary health care and libraries.
Plymouth	Consulting on preliminary draft	60	30	Special zero rate for high-rise of six stories or more. No published regulation 123 list --specific consultation question on the balance between CIL and section 106.
Redbridge	Found sound	70	70	Will be chargeable alongside Mayor's proposed CIL of £35 (examination under way late November).
Shropshire	Adopted	80	40	Regulation 123 list does not itemize or cost items to be funded through section 106.Not all items to be funded through CIL are fully costed. Higher charge applies in rural areas.
Wandsworth	Draft charging schedule advertised, not yet submitted	575	0	Four different zones, default charge is £250. Will be chargeable alongside Mayor's proposed CIL of £50.
Wycombe	Consulting on preliminary draft	150	125	Charging schedule comments this will represent less than 5% of gross development value and will result in a charge of between £9000 and £14000 per dwelling. The infrastructure delivery plan identifies a number of projects, and section 106

Authority	Stage	Residential CIL maximum (£/ sq m)	Residential CIL minimum (£/ sq m)	Comments/ notes
				funding where already identified but does not indicate any future balance between section 106 and CIL.

Capital Project Summary

Report for the GNDP Board

Summary

This report summarises the Highlight Reports for the remaining Growth Area Fund (GAF) Capital projects.

Recommendation

The GNDP Board is recommended:

a. To note the summary for information

Project name	Description	Sponsor	Status	Funding
North East Quadrant Postwick Hub - Junction improvements / Park & Ride / Roundabout	The proposed Postwick Hub scheme comprises an improvement to the A47/A1042 trunk road together with a 500 space extension to the Postwick Park and Ride site.	Mike Jackson	**Amber** • Planning Permission granted. Decision notice issued 19 October 2011 • Public Inquiry – some preliminary work on a Sides Road Order has started. The next substantial steps will be made post DfT funding announcements due mid-December. • Postwick Junction Technical Working Group set up. First meeting held, 18 July 2011. A summary of the items discussed and agreed was circulated to the non-technical group for information. • Broadland District Council and Norfolk County Council are carrying out modelling to determine what growth could be supported without the NDR. The next meeting of the Technical Working Group will be held once modelling is complete and post DfT funding announcement.	• Funding for the Postwick Hub junction is included in the Best and Final Bid submitted to the Dept for Transport 'Development Pool' fund. • Announcement from DfT due mid-December. £21m is earmarked from the Community Infrastructure Fund

Project name	Description	Sponsor	Status	Funding
Western Quadrant Longwater Interchange	Development of Longwater interchange improvement and non-motorised bridge	Mike Jackson	**Amber** • Traffic modelling work completed for low cost and medium term measures at Longwater. The next step is to complete a business case for these schemes and to prepare a letter of undertaking to Highways Agency before agreeing a start date. • Design development work on the options for major interchange improvements will continue.	• Funding is in place to complete the design work
Bus improvement / Bus Rapid Transit project	Dereham Road bus lane – Phase 1 works	Mike Jackson	**Amber** • On the 15 September 2011 the Norwich Highways Agency Committee (NHAC) gave approval to proceed to construct phase 1 works (not including Old Palace Road Junction). • Further public consultation on two options for Old Palace Road/Heigham Road junction is required.	• Funding in place for Phase 1 works • Cost estimates for Old Palace Road Junction to be reviewed

NEWANGLIA
Local Enterprise Partnership
for Norfolk and Suffolk

New Anglia Local Enterprise Partnership Board
Thursday 24th November 2011

Agenda Item 6

Growing Places Fund

Introduction

Earlier this month the Government announced the creation of a £500m Growing Places Fund to support the delivery of infrastructure needed to unlock jobs and growth.

The fund is being allocated by formula to Local Enterprise Partnerships, with New Anglia LEP's indicative share just over £12m.

This paper seeks board approval for the development of the New Anglia Growing Places Fund and outlines a potential way forward for the development of such a fund.

The Government's Growing Places prospectus is also circulated with the board papers for further information.

Fund purpose

The Growing Places Fund has been established by the Government with three overriding objectives:

1. To generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing.
2. To allow local enterprise partnerships to prioritise the infrastructure they need, empowering them to deliver their economic strategies.
3. To establish sustainable revolving funds so that funding can be reinvested to unlock further development, and leverage private investment.

Role of LEPs and local authorities

Local enterprise partnerships are being invited to submit proposals to utilise the funding that has been allocated – in New Anglia's case £12m.

A lead local authority must be identified as the accountable body to receive and account for the funding on behalf of the partnership.

Funding will not be allocated to individual local authorities – as the priorities for funding will need to be agreed by the local enterprise partnership.

The fund

The funding will be unringfenced – with the single condition it must be spent on capital projects.

The Government however expects it to be spent on more than one project and the cash to be recoverable so it can be reinvested in future projects.

Further, the Government's guidance is that priority should be given to stalled sites – that have planning permission and other legal consents and are ready to proceed.

Whilst each local enterprise partnership is being allocated an indicative amount – the Government is keen to see partnerships pool resources across LEP areas.

For New Anglia that could mean working with Greater Cambs, Greater Peterborough LEP, which has an indicative allocation of £10.6m or the South East LEP which has been awarded £32.5m.

Were New Anglia to pursue that route, cross-LEP governance arrangements would need to be established and a single local authority chosen as the accountable body.

Whilst pooling would improve critical mass – it could also be more problematic to deliver with both LEPs needing to agree priorities for funding.

Allocations have been made on the basis of population and employed earnings.
In districts that are covered by two LEPs, funding has been split 50/50.

Two per cent of the fund can be utilised to help partnerships manage the funds. This would provide enough resources for New Anglia to develop and administer the fund.

A potential way forward would be to second a member of staff from a local authority with experience in this field to the LEP to coordinate the development of the fund.

New Anglia Growing Places Fund

There has already been a great deal of interest in the Growing Places Fund from local authorities and the private sector in Suffolk and Norfolk.

It is clear that there are likely to be a significant number of projects that could benefit from the fund.

To access the fund, New Anglia must complete the Government's pre-qualification questionnaire by December 20.

To complete this there are some key decisions that need to be taken by the New Anglia board:

1. Does New Anglia LEP seek to develop its own fund or partner with one or more LEPs?
2. What will the Governance arrangements be for the management of the fund?
   A recommended way forward would be that projects would be independently assessed against set criteria, with the final decision taken by the full LEP board.
3. Which local authority will be the accountable body?

New Anglia will also need to outline how the fund will deliver the LEP's priorities for jobs and housing growth and explain the mechanics of how the fund will operate.

Next steps

In order to move forward this initiative, the LEP executive has established a working group to look at three key areas in establishing the fund namely:

1. Developing criteria for bids to the fund to be scored against.
2. Developing a mechanism to bring forward and independently assess bids
3. Establishing the fund – including mechanisms to enable funds to be recycled.

The working group is comprised of: Chris Starkie, from New Anglia LEP, Sandra Eastaugh, Greater Norwich Development Partnership manager and David Ralph, chief executive of the Haven Gateway Partnership.

Both Sandra and David have significant experience of handling Growth Point funding, which was a mechanism for delivering infrastructure projects under the previous Government.

It is anticipated the membership of the working party would be expanded to include representatives from other areas within New Anglia.

The Homes and Communities Agency has indicated its willingness to participate, which would be helpful given its experience of creating revolving infrastructure funds.

It is proposed that:

The working group completes the pre-qualification questionnaire which is circulated to board members for approval ahead of the December submission date.

The working group produces a more detailed proposal for the January board on the three areas listed above.

Growing Places Fund

Prospectus

November 2011
Department for Communities and Local Government

This document/publication is also available on our website at www.communities.gov.uk

If you require this publication in an alternative format please email:
alternativeformats@communities.gsi.gov.uk

Any enquiries regarding this document/publication should be sent to us at:

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Contents

Ministerial foreword

Since coming to office, the Coalition has made the promotion of growth a priority, through a commitment to debt reduction and targeted measures to support business.

Careful prioritisation and financial management allows us to do more to help support growth in our localities and get developments moving. One way we are doing this is to promote delivery of the key infrastructure needed to unlock developments, helping to generate the jobs and homes communities need, supporting this Government's growth ambitions.

To do this, we have announced the £500m Growing Places Fund which is being led by our two Departments, and has three overriding objectives:

- to generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing

- to allow local enterprise partnerships to prioritise the infrastructure they need, empowering them to deliver their economic strategies

- to establish sustainable revolving funds so that funding can be reinvested to unlock further development, and leverage private investment.

We expect our investment to enable the creation of local enterprise partnership led local infrastructure funds across England. These will provide the up-front funding needed to get development underway, and give local areas the flexibility to recycle funding for other projects as developments are completed.

Local enterprise partnerships are invited to submit proposals, on the basis they have an identified lead local authority that will receive and account for the funding, on behalf of all members of the partnership. The Growing Places Fund will not provide individual local authority allocations – the priorities for funding will need to be agreed by members of the partnership.

We want to encourage local enterprise partnerships to think creatively about the most appropriate arrangements for operating local infrastructure funds to maximise their economic impact. This might mean joining together with other local enterprise partnerships to form a larger grouping – whilst we expect groupings of a sufficient size to enable critical mass, it will be for local areas to decide how best to achieve this.

As well as the wider economic benefits we expect to be delivered, we want to encourage quick progress and therefore expect to see places initially targeting projects which are ready to go.

Eric Pickles
Secretary of State
Communities and Local Government

Justine Greening
Secretary of State
Transport

Introduction

1. Infrastructure is essential to realising the nation's ambition for continued housing and economic growth; enabling it to happen and ensuring it is sustainable in both urban and rural settings. Forward funding of infrastructure – particularly where development interests are held by a number of parties – can be challenging to secure in advance of development.

2. In the current economic climate many otherwise viable schemes are not able to proceed because capital constraints have reduced the flow of investment in the physical infrastructure which unlocks development (e.g. transport, utilities and flood defence), stymieing the creation of much needed homes and jobs.

3. The Growing Places Fund aims to help address this constraint; enabling targeted investment in pieces of infrastructure which unlock development, allowing places to realise development values which can be recycled to provide a longer term solution to infrastructure provision.

Details of the Fund

4. The Department for Communities and Local Government (DCLG) and the Department for Transport (DfT) will jointly administer the Fund, with funding allocations issued by DCLG.

5. We want to move quickly in making payments. Allocations will be made in the financial year 2011-12, and paid to a lead local authority for each partnership – the lead local authority will be the accountable body for any money granted, and their agreement to act in this capacity is vital.

6. The Fund will have the following key features:

7. **It should be used to help establish sustainable revolving funds**
Our view is that this is a major opportunity for local areas to establish a recycling fund – as projects unlock development, the developers would use a proportion of land value uplift or financial receipts to repay the public sector outlay. In other places other contractual models could be used for investment recovery. Initial funding could be recouped or interest paid and recycled into new infrastructure projects, such as those relating to transport, utility provision, flood defences or other constraints which are prohibiting development. We need to know that local partnerships are committed to using the fund for the provision of infrastructure to unlock jobs and housing, and will target projects which represent good value for money.

8. Government and its agencies are willing to work with areas to develop appropriate financial mechanisms and share good practice, drawing on experience from developing Regional Infrastructure Funds and similar mechanisms. There is also a lot of experience at local level to draw from, for example in Cambridgeshire, where a revolving fund has previously been established to deliver infrastructure projects. We will discuss with local enterprise partnerships how best we can work with them in developing and refining propositions, and welcome any views on what assistance would be helpful in this respect.

9. To get economic activity going we envisage the funding being directed towards stalled sites, given that these are likely to progress quickly once capital is injected. We would advise against using the allocation to fund a single project given that this will limit the ability to run a recycling investment fund.

10. Operating the funding on a revolving basis will enable Partnerships to take a programmed approach to infrastructure delivery, identifying projects which can be phased and delivered as initial investments are returned.

11. **Funding will be locally owned**
The Growing Places Fund is intended to put local areas in the driving seat, taking decisions on local priorities for investment. It is for local areas to decide the appropriate geographical scope for the fund, the nature of the partnership and governance, how prioritisation is done and the precise mechanism used to create local revolving funds.

12. However, we also believe that it would be helpful to ensure that there is sufficient "critical mass" to ensure that areas receiving funding are big enough to support a range of projects which can proceed at different rates, allowing effective recycling. This will have the additional benefit of creating efficiencies in the management of the funding.

13. Local enterprise partnerships should look to work collaboratively where necessary to achieve critical mass; creating a joint infrastructure fund and detailing this in their pre-qualification proposals (see paras 24-28). Funding will be issued under section 31 powers, and can therefore only be paid to a local authority. In each grouping a local authority should be nominated to act as lead accountable body for the funding.

14. The lead local authority will need to be accountable for the funding and act as fund manager. This will involve ensuring that funds are allocated and spent in line with local government accounting procedures including taking into account any state aid issues. The accountable local authority will be required to submit a statement to Government at the end of 2011/12 confirming that the single condition that capital funding is spent on capital projects will be adhered to.

15. **The Growing Places Fund will be unringfenced**
We will allocate funding using an unringfenced approach, which comes with the single condition that capital allocations are spent on capital projects. This will provide local partnerships with greater flexibility, and fits with the wider localist agenda to give more control to local authorities and partnerships and reduce central bureaucracy. It also means that funds can be allocated to partnerships promptly, before the end of the financial year.

16. However, we expect funding to be used to establish recoverable models to take forward infrastructure projects and require local partners to set out how they will do this through a simple pre-qualification questionnaire. In order to maximise value and unlock growth quickly it is likely that priority will need to be given to projects which have planning permissions and other legal consents in place, and are ready to proceed with a cash injection on an investment basis. Any detailed financial arrangements, e.g. around the nature and form of investment are for local decision.

17. **The Growing Places Fund will be allocated to local areas by formula**
Competitive bidding rounds can be time and resource intensive. Considering this and the Government's commitment to localism we will allocate funding to qualifying bodies which apply for the fund on a consistent basis, through a formulaic approach.

18. In developing this formula two overarching criteria were used; first, that the formula should be as simple and transparent as possible; and second, that in so far as possible the formula should seek to allocate funds to areas which are best placed to deliver early growth.

19. We will use a formula based on two components: population and employed earnings. This is a relatively simple formula that accounts for the size of the local enterprise partnership, and provides a good proxy for the economic activity. By combining the indicators we are able to provide a smoother distribution than using either of them independently.

20. The table at **Annex A** illustrates how this formula will work and gives an indicative allocation for each local enterprise partnership, which could be pooled by groups of partnerships working together.

21. **Resource funding**
The majority of funding available is for capital spend. However, up to 2 per cent of funding is being set aside as resource to help partnerships manage the new local funds. In addition to setting out how local partnerships would meet the pre-qualification criteria, partnerships will also need to set out briefly how much of the potential resource is required and indicate how this would be used.

22. There will only be a single resource allocation and payment. It will be unringfenced, giving flexibility around how this funding is allocated, but once the allocation is used places will need to make arrangements to fund ongoing revenue expenditure locally.

23. Economic development activity is devolved in London and in the Devolved Administrations. The Devolved Administrations will receive Barnett consequentials in the usual way. The Greater London Authority will receive £39m.

Accessing the Fund - pre-qualification criteria

24. Although we are not undertaking a competitive approach, partnerships will need to demonstrate that they can meet certain criteria in order to qualify for the fund, and we expect places to be fully transparent in the proposals put forward. Places should be able to show a clear mechanism for making available to the public information on how the money will be spent, and to what timeframe.

25. We expect places to move swiftly in establishing funds and allocating money to priority projects, demonstrating publicly the impact which will be achieved.

26. Specifically, partnerships will need to demonstrate that:

- They are committed to using the Growing Places Fund to generate economic activity in the short term by addressing immediate infrastructure and site constraints which promote the delivery of jobs and housing

- They have appropriate governance arrangements in place which will secure value for money in the use of the Fund

- They have appropriate arrangements in place to deliver transparency in the use of the Fund.

27. A template to help demonstrate how partnerships meet the pre-qualification criteria is at **Annex B, this is also available as a Word form on the DCLG website.** The opening question in each section should be supported by sufficient evidence in the subsequent questions to justify the response. In addition, if partnerships do have specific projects in mind then we would welcome details of these as an annex to the pre-qualification questionnaire.

28. Once submitted the template will be considered by Government before funding is confirmed and payments made.

Next steps

29. We want to be prompt in the allocation of funding. This means that local enterprise partnerships will need to work with pace to identify appropriate groupings, putting in place the necessary administrative arrangements and identifying priority projects, which should be ready to deliver with the injection of capital funding.

30. We are inviting proposals from local partnership groupings wishing to receive funding. Proposals should be received by **5pm on 20 December,** and we are happy to work with those places who want to move more quickly than this.

31. Proposals should be submitted electronically to the following address; *growingplacesfund@communities.gsi.gov.uk*

32. The Departments will consider proposals with a view to announcing funding at the end of January, with single payments made to the accountable local authority by the end of the 2011/12 financial year.

Support

33. To help develop proposals a series of workshops will be held across the country in November and further details will be sent to local enterprise partnerships in due course.

34. In addition partnerships may wish to talk to Government, its local teams (within which there will be a designated contact), and organisations such as the Homes and Communities Agency to test ideas and proposals for how the funding might operate locally.

35. It might also be useful to consider examples of other infrastructure funds - further suggestions and information is given at **Annex C.**

Future funding

36. There are no current plans for additional funding, but should any future funding become available then it would likely be distributed based on the performance and delivery achieved with the initial Growing Places Fund allocations.

Contacts

37. If partnerships have any questions about the process, please send these to growingplacesfund@communities.gsi.gov.uk, or speak to the local DCLG, DfT or BIS contact.

Annex A

Indicative distribution to local enterprise partnerships by formula

Growing Places Fund - Indicative local enterprise partnership distribution	
	(£)
England	**449,999,998**
(The) North Eastern Local Enterprise Partnership	16,712,905
Tees Valley	5,694,058
Cumbria	4,440,917
Lancashire	12,879,177
Greater Manchester	24,739,591
Liverpool City Region	12,979,358
Cheshire and Warrington	8,751,074
York and North Yorkshire	6,217,647
Leeds City Region	23,991,391
Humber	5,816,714
Sheffield City Region	12,307,688
Lincolnshire	6,493,608
Derby, Derbyshire, Nottingham and Nottinghamshire	17,466,313
Leicester and Leicestershire	8,896,731
Stoke and Staffordshire	7,611,590
The Marches – Shropshire, Herefordshire, Telford and Wrekin	5,438,945
Black Country	9,619,452
Worcestershire	3,667,852
Coventry and Warwickshire	8,519,680
Greater Birmingham and Solihull	14,932,970
South East Midlands	13,100,217
Northamptonshire	3,925,692
Buckinghamshire *	4,167,713
Greater Cambridge & Greater Peterborough	10,664,599
Hertfordshire	10,078,517
New Anglia	12,046,767

Growing Places Fund - Indicative local enterprise partnership distribution	
London	39,445,808
South East – East Sussex, Essex, Kent, Medway, Thurrock and Southend	32,553,542
Coast to Capital	15,083,882
Enterprise M3	14,435,316
Solent	12,008,783
Oxford City Region	5,996,797
Thames Valley Berkshire	10,649,405
Gloucestershire	5,638,139
West of England	11,324,861
Swindon and Wiltshire	6,218,540
Dorset	6,392,150
Heart of the SW	14,263,733
Cornwall and the Isles of Scilly	4,211,133
No local enterprise partnership	616,743

Notes:

(1) Allocations do not sum to £450m due to rounding. £50m is to go to the Devolved Administrations;

(2) Formula weighted distribution using district level data (2010), with Population and "Employed Earnings" (employment multiplied by earnings) given equal weighting;

(3) Economic Development activity is devolved to the Mayor of London, and specific funding arrangements for transport and local economic development are already in place for this year. The entitlement for the London Local Enterprise Partnership is therefore restricted to money coming from the Reserve (£250m in total, less £50m entitlement for Devolved Administrations);

(4) Where districts are in overlapping local enterprise partnerships, the entitlement as a result of that district is split equally between those local enterprise partnerships;

(5) An allocation has been set aside to allow for any districts yet to join a local enterprise partnership.

* Subject to Ministerial approval of local enterprise partnership proposal.

Calculation of allocations: overview

The formula seeks to allocate funds to areas best able to take advantage of them in order to stimulate economic activity. The formula also takes into consideration the population of an area. These two factors are measured by:

i. the proportion made up by the resident population of a local enterprise partnership against the total resident population in England; and

ii. the proportion made up by the latest 'employed earnings' of a local enterprise partnership against the total 'employed earnings' in England.

These factors have been weighted equally in order to determine the portion of total funding allocated to each local enterprise partnership. As local enterprise partnerships have been formed on a district level basis, the data has been taken at this level and grossed up to provide totals, and subsequently proportions at a national level.

For districts within multiple local enterprise partnerships, an adjustment has been made to equally split these proportions between the local enterprise partnerships in question. In practice, this means that the entitlement of funding as a result of a single district is split equally between those local enterprise partnerships the district falls within. Currently, there are no districts that fall in the boundaries of more than two local enterprise partnerships. Therefore, **effective entitlements have been split 50/50 where these overlaps occur**.

Calculation of allocations: formula

The entitlement is then calculated by applying these proportions on an equal basis as follows:

(Proportion of Resident Population (i) *multiplied by* 50% *multiplied by* Eligible Total Funding)

plus

(Proportion of Employed Earnings (i) *multiplied by* 50% *multiplied by* Eligible Total Funding)

Calculation: proportion of 'employed earnings'

The level of 'employed earnings' within each local enterprise partnership area is a simple multiple of both the levels of the total number of employees and mean gross weekly earnings. This is then calculated as a proportion of the total 'employed earnings' nationally, as follows:

(Total employees in the local enterprise partnership area *multiplied by* Mean gross weekly earnings in the Local Enterprise Partnership area)

divided by

(Total employees in England *multiplied by* Mean gross weekly earnings in England)

Sources of data

Population Estimates (at local authority: district and unitary level), 2010. Taken from the Office for National Statistics publication at:
http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-231847

Annual Survey of Hours and Earnings (workplace analysis at local authority: district and unitary level), 2010, mean gross weekly pay (all employee jobs). Taken from the Office for National Statistics publication (Table 7.1a) at:
http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-200444

Business Register and Employment Survey (at local authority: district and unitary level), 2010, total employees. Taken from the Office for National Statistics publication (Table 8) at:
http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-230519

Annex B

Pre-Qualification Questionnaire

This questionnaire is also available as a Word form on the DCLG website :

www.communities.gov.uk/regeneration/economicgrowth/growingplacesfund

Section A
Summary information

[Please note there is no word count, although we consider most questions can be answered effectively in 200 – 300 words.]

A1. Proposal title and overall objective of the Fund

A2. Name of the local enterprise partnership(s) submitting the proposal

A3. Lead point of contact:

Name	
Organisation	
Job title	
Address	
Telephone	
Email	

A4. Geographical coverage of the Fund
(please provide details of the LEP area(s) the Fund will cover)

A5. Signature of the lead local enterprise partnership chair

Section B
Infrastructure projects

B1. Are you committed to using the Growing Places Fund to generate economic activity in the short term by addressing immediate infrastructure and site constraints which promote the delivery of jobs and housing?

Yes/No

B2. Please outline how the Fund will deliver the LEP's/LEPs' priorities for housing and economic growth (this should be no more than one page).

B3. Please outline any proposed leverage from the private sector and other funding streams (e.g. ERDF) to be explored and/or considered.

B4. Please set out the resource/capital split (resource can be no more than 2 per cent of the total allocation).

Section C
Governance arrangements

C1. Do you have, or will you have, appropriate governance arrangements in place which will secure value for money in the use of the Fund?

Yes/No

C2. Which local authority will be the accountable body? Please attach a letter of acceptance from the Section 151 local authority Finance Director.

C3. Please outline the governance structure for the management of the Growing Places Fund.

C4. Please outline your monitoring and evaluation plans. Details should include approach, timing, and resource implications.

Section D
Management of the Fund

D1. Do you have appropriate arrangements in place to deliver transparency in the use of the Fund?

Yes/No

D2. Please outline the financial procedures that will be used to oversee management of the funds provided, including the approach that will enable funding to be recycled for other projects, and tackling the issue of deadweight.

D3. Please outline the quality assurance arrangements that are in place to ensure decisions are adhered to, the funding is administered properly, appropriate records are kept, and due diligence and evaluation undertaken.

D4. Please outline how you will ensure data concerning the use of the funds, decisions made, and outcome of the projects are made publicly available.

Section E
Equality information

G1. Is it expected that the use of the funds or their outcomes will have a detrimental impact on any of the groups with protected characteristics as listed in the Equality Duty?

If yes, please describe the impact or impacts the proposal is expected to have, the group or groups which may be affected, and any steps, if applicable, which have been taken to mitigate the impact(s).

Annex C

The South West Regional Infrastructure Fund

The South West Regional Infrastructure Fund (RIF) was launched in March 2008.

The RIF provides forward funding for developer contributions to essential pieces of infrastructure required to unlock growth, bring forward delivery and make growth more sustainable. RIF is a recycling fund, its investment being repaid through planning obligations (section 106 agreements) or in future by contributions made via the Community Infrastructure Levy (CIL) and potentially by revenue generated from Tax Incremental Funding (TIF).

Funding criteria include:

- Investment is recoverable through planning obligations. RIF is not gap funding and cannot bridge viability gaps.
- Infrastructure is required to support the delivery of development that is supported by and consistent with the priorities of established plans and strategies.
- Infrastructure must be related to the development of a large growth site, a number of linked developments or unlocking capacity. Associated development(s) must be of greater size than:

    i. 1000 houses.

    ii. 20 Hectares of retail/office/employment.

    iii. Combination of the two in mixed use.

    Or:

    iv. Be of recognisable significance.
- Infrastructure and related development should be embedded in a robust LDD (Core Strategy or Area Action Plan) or adopted Local Plan and there is clear evidence of long-term strategic infrastructure planning to support growth.
- There must be:

    a. A realistic timetable for the infrastructure provision and of the associated development and detail as to when RIF investment will be required.

    b. Initial details as to the likely value of RIF investment required.

c. Full justification, under the current planning obligations regime and legislation, for seeking developer contributions for the infrastructure.

d. An initial proposed timetable for the repayment of the developer contributions that RIF will forward-fund.

- Projects should be subject to a transport appraisal and demonstrate a cost benefit ratio of at least 1.5.

For each project there is an agreement between the accountable body and the recipient body regarding delivery of the infrastructure and repayment of RIF. As repayment flows through the accountable body will apply funding to other eligible projects in the area.

The table below outlines the projects which have been taken forward.

Scheme name	Maximum Sum (£000)	Payments made to date (£000)	Status, partner, repayment arrangements and other comments
Long Run Farm Flood Relief scheme, Taunton – provision of flood storage capacity on farm land west of Taunton to enable development of 1,460 homes, 78,250 employment space, 10,000m2 retail space, 5,925 jobs, £249m private sector investment.	£1,300	£1,300	- Scheme completed, draw down complete. Repayments to the Fund fixed over 11/12 and 12/13 from s106 contributions on completion of the relevant homes. - Taunton Deane Borough Council - Fixed payments from tariff contributions; 2011/12 - £500,000 2112/13 - £800,000 **TOTAL = £1,300,000**
Filton Northfield Link Road, South Glos, Bristol – early delivery of strategic link road to unlock major mixed-use development on 81.25 ha of brownfield land, 2,200+ homes, 67,000m2 employment space, 3,000 jobs, £350m private sector investment	£6,000	£6,000	- Scheme complete and draw down (subject to £600k retention) complete. Fixed repayments to the Fund begin in 12/13. - Bovis Homes Ltd - Fixed payments; 5/01/13 – £1,000,000 5/01/14 – £1,000,000 5/01/15 – £2,000,000 5/01/16 - £2,000,000 **TOTAL = £6,000,000**
Twin Sails Bridge, Poole Harbour, Poole – provision of new bridge to enable access to 26 ha of brownfield land at Hamworthy which will deliver more than 2,000 homes, 63,500m2 employment space, 2,000 jobs and £331m private sector investment.	£9,960	£5,996	- Scheme underway, approx £5m drawn down in 10/11, remaining payments due in 11/12. Fixed minimum repayments of minimum £1m per annum commence one year post-completion i.e. 2013/14. - Borough of Poole - £9.96m (of which £8.9m to be repaid by 2016) to be paid from the SE Dorset transport planning tariff.

Annex D

Growing Places Fund – Q&A

Question 1

How do we apply for the Growing Places Fund?

Answer 1

The Pre-Qualification Questionnaire needs to be completed in full and submitted electronically to growingplacesfund@communities.gsi.gov.uk; this is the only document required in order to access the fund.

Question 2

Who assesses whether we are "fit for purpose"? Is there a scoring process? Do we see what is said about us, and can we challenge this?

Answer 2

There is no scoring process. As an unringfenced grant, you have the flexibility to allocate in line with local priorities. We are seeking your commitment to the criteria in the Pre-Qualification Questionnaire, and therefore would not expect any challenge – if you commit to working to achieve the funds objectives then you will qualify for funding.

Question 3

This is an infrastructure fund. What kind of projects does it cover? Does the impact have to be about growth? What about schools/health?

Answer 3

The key objective is to achieve early economic growth, and deliver jobs and housing. We would expect the fund to address issues associated with transport, utilities and flood defences. Priority should be given to projects where a marginal contribution is required to make the project feasible. Maximising return and leverage of wider funds is key.

Question 4

Is anything ineligible?

Answer 4

We expect the funding to be used to deliver infrastructure projects which will facilitate the delivery of economic growth, in particular jobs and houses. The funds must be spent in line with local accounting procedures. The accountable body is responsible for ensuring this is the case.

Question 5

Can a project be funded from more than one local enterprise partnership grouping?

Answer 5

Yes. You can use the funding as required to address your locally agreed priority projects. Where a project is considered a priority by more than one grouping then you can take forward discussions locally to determine the best way to deliver it.

Question 6

Do we need to identify a local authority to act as fund manager from the outset?

Answer 6

Yes

The funding is being paid under section 31, and as such will be paid to a nominated lead local authority. They will be accountable from the outset for all spend, and for making a return to Government confirming that the capital funding has been spent on capital projects – this is the only condition.

Question 7

What kinds of governance mechanisms will be thought acceptable?

Answer 7

We expect to see mechanisms in place to demonstrate that decisions on funding can be taken efficiently and in good time. As well as providing a longer term solution through a revolving fund, we want to see short term stimulus by addressing projects which are ready to go. The governance mechanisms should ensure that this will be the case.

Question 8

What is the nature of the contract between the accountable local authority and Government? Is there an offer letter?

Answer 8

Following confirmation of the allocations, the accountable body will receive a Grant Determination. This will detail the allocation to be made, and the process for reporting on the capital condition. Payment will follow shortly after the determination has been issued.

Question 9

When does the fund have to be spent?

Is there end-year flexibility and roll-over?

Answer 9

As an unringfenced grant, the funding can be rolled over as required at your discretion. We again however draw your attention to the commitment to spend the funding appropriately and promptly. Any future allocations will take account of this and your performance in enabling the delivery of jobs and houses.

Question 10

Is this grant aid or borrowing? How does the fund reach the accountable local authority? Is it paid in arrears; is there a claims mechanism? What evidence is required for the fund to be drawn down?

Answer 10

The allocation is block grant. It will be made in one single payment to the accountable local authority, without the need for a claim to be submitted. Funding paid through Section 31 is paid up front as opposed to in arrears. Once submitted, the PQQ will be checked to ensure relevant commitments are in place, following which payments will be arranged without the need for further information or action on behalf of the local authority or Partnerships.

Question 11

We have no expertise in running revolving funds.

Who can help?

Can part of the fund be given over to fund management?

Answer 11

We expect that management of a revolving fund will require additional resource. As such up to 2 per cent of your allocation is available as resource (with the capital being reduced accordingly), and again you will have flexibility to spend this as and when required. There are also models which you can draw on; the Regional Infrastructure Funds operated as revolving funds – the Homes and Communities Agency now manage these, and can therefore provide specific advice.

Question 12

What will Government require in the way of spend information, profiling and updates?

Answer 12

Key accountability will be at local level. Local enterprise partnerships will want to ensure that expenditure meets local needs. However, to ensure there is wider value for money for the taxpayer, we are asking local enterprise partnerships to outline their monitoring and evaluation plans and how they will make these publicly available. We will work with local enterprise partnerships to develop an effective evaluation framework.

Question 13

What are the audit requirements on the accountable local authority?

Answer 13

The accountable local authority will need to manage the fund in line with their local accounting arrangements. The only return to Government which is required is to confirm that capital funds have and will be spent on capital projects. A standard template for this return will be provided with the grant determination. The Accountable Body will have to sign this and return it to Government at the end of 2011/12.