# North Somerset Council

**REPORT TO THE EXECUTIVE**

**DATE OF MEETING: 21ST JUNE 2016**

**SUBJECT OF REPORT: COMMUNITY INFRASTRUCTURE LEVY (CIL): CONSULTATION ON DRAFT CHARGING SCHEDULE**

**TOWN OR PARISH: ALL**

**OFFICER/MEMBER PRESENTING: EXECUTIVE MEMBER FOR STRATEGIC PLANNING, HIGHWAYS AND TRANSPORT**

**KEY DECISION: N/A**

## RECOMMENDATIONS

That the Executive:

- Note and considers the responses to the consultation on the Community Infrastructure Levy Preliminary Draft Charging Schedule (PDCS) held in 2012 alongside the 2016 updated evidence base on infrastructure requirements and commentary on development viability.
- Agree that the Draft Charging Schedule (DCS) consultation should proceed on the basis of the CIL rates as proposed in Table 2 below.
- Note the update to the Infrastructure Delivery Plan (IDP) included in Appendix C as background evidence for Core Strategy and CIL purposes.
- Delegate authority to the Director of Development and Environment to approve a final version of the Draft Charging Schedule consultation document based on the proposed rates and supporting documentation for public consultation.
- Note that a mixture of funding streams will be required to enable delivery of infrastructure to support growth, including the CIL, S106, NSC resources and external (government) funding.

## 1. SUMMARY OF REPORT

1.1 This report updates on work to introduce a Community Infrastructure Levy (CIL) for the North Somerset area. It summarises responses to the earlier consultation on a Preliminary Draft Charging Schedule (PDCS) as well as updated evidence on infrastructure delivery and viability evidence. The report requests that authority be delegated to the Director of Development and Environment to finalise and consult on a Draft Charging Schedule and background documentation.

## 2. POLICY

2.1 The introduction of a Community Infrastructure Levy (CIL) will support the delivery of the Core Strategy and Infrastructure Delivery Plan. Policy CS34 states that the CIL will be used as a mechanism for the collection of development contributions. This supports the Council's corporate priority of creating quality places.

2.2 The proposals in this report are in line with the Community Infrastructure Levy Regulations 2010 and subsequent amendments and with the National Planning Policy Framework and Guidance.

## 3. DETAILS

**Principles of the Community Infrastructure Levy (CIL)**

3.1 The Community Infrastructure Levy (CIL) enables local planning authorities to raise funds from developers undertaking new building projects in their area to provide infrastructure needed to support development. CIL will not be the sole funding source for development-related infrastructure but will partially replace S106 agreements and supplement other funding streams.

3.2 CIL takes the form of a standard charge per $m^2$ of additional new floor space and is based on the location, size and type of the new development. The following developments will be liable:

- Development comprising 100 $m^2$ or more of new build floorspace.
- Development of less than 100 $m^2$ of new build floorspace that results in the creation of one or more dwellings.
- Change of use, if the building has been in lawful use for less than six months of the previous twelve.

3.3 The CIL regulations came into force on 6 April 2010 and there have been a number of amendments since. The introduction of CIL brought significant changes to the Section 106 regime, including restrictions on the pooling of S106 contributions.

3.4 Key features of the CIL are that:

- It is discretionary; Councils can choose whether or not to introduce a CIL.
- CIL charges are based on a tariff of rates per $m^2$ of development (calculated according to the Gross Internal Area or GIA). Rates are fixed in advance, so that the Council, developers and communities will be clear about how much will need to be paid.
- Once CIL rates are set, they are non-negotiable. Changes to rates can only be achieved through formal discretionary relief procedures or through a full review of all rates. Both of these circumstances would require an independent examination.

- Affordable housing, Starter Homes, self-build properties and some charitable purposes are exempt from CIL.
- Payments must be used to ‘support development’, but are not ring-fenced to specific planning applications, projects or locations. This provides a flexibility in pooling and spending development contributions that is not possible under the revised S106 regime.
- CIL payments are made in ‘cash’ and cannot normally be replaced or reduced by the in-kind delivery of infrastructure. This places a greater responsibility for delivery on the Council and could reduce the ability to make savings through developer delivery. It may add to financing issues for developers.
- Any phasing of CIL payments must be set in advance for all sites by the Council; it cannot be negotiated on a case-by-case basis.
- S106 agreements will continue alongside the CIL but CIL and S106 cannot be used by NSC to fund the same infrastructure. It is likely that the CIL will be focused on infrastructure required as a result of cumulative development, whereas S106 agreements will be used for on-site or near-site measures. NSC must publish a list of the infrastructure that it expects to be funded through CIL – this is called a “Regulation 123 List”. A consultation draft is attached as Appendix D.
- 15% of CIL from development in an area must be passed directly to Town or Parish Councils, or 25% if that area has an adopted Neighbourhood Plan.
- Up to 5% may be used to fund the administration of the CIL.

3.5 Where a CIL is introduced, rates must be set for all types of development (defined as “most buildings that people normally use”), other than those subject to mandatory national exemptions. Nil rates are only permissible where viability assessments show that contributions cannot be afforded by the majority of developments of that type/area.

**Procedure for setting a Community Infrastructure Levy (CIL)**

3.6 CIL rates are set through formal consultation and examination processes. Rates must:

> “*strike 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*.”

3.7 At examination, the emphasis will be on the latter of these two points – demonstrating that the proposed CIL rates are affordable by the majority of development. It is a common misconception that CIL rates are set by adding up infrastructure costs and dividing them by the number of new homes; this is not the case. The CIL is expected only ever to meet a relatively small proportion of infrastructure need across the district.

3.8 Government guidance states that rates must be economically viable for the majority of development and should not be set right up to the margin of viability, e.g. must not be set at a level that would or could compromise delivery of the Core Strategy or five-year housing supply. Differential rates may be set for different areas or types of development, but such differentiation must be based on viability considerations alone. It is not permitted to set advantageously low rates to promote specific types or locations for development or disadvantageously high rates to prevent development.

3.9 Viability testing for the CIL must assume full compliance with policy requirements, including an assumption that the developer will deliver 30% affordable housing. This removes an element of flexibility often used in S106 negotiations, with a significant impact on the charges that may be set.

**Consultation on Preliminary Draft Charging Schedule (PDCS)**

3.10 In 2012 North Somerset Council agreed to start work towards implementing a CIL and consulted on a Preliminary Draft Charging Schedule. This proposed the CIL rates below:

| Location(s) | Use class | Proposed rate / $m^2$ |
|---|---|---|
| Weston Town Centre | Residential (C3) | £0 |
| Outer Weston | Residential (C3) | £40 |
| Rest of District | Residential (C3) | £60 |
| All | Purpose-built student accommodation / halls of residence | £40 |
| All | Care homes (C2) (residential accommodation and care to people in need of care) | £40 |
| All | Large-scale retail (A1/A2/A3/A4/A5): more than 280m2 net sales area | £120 |
| All | Small-scale retail (A1/A2/A3/A4/A5): less than 280m2 net sales area | £60 |
| All | Commercial (B1/B2/B8) | £0 |
| All | All other qualifying development | £0 |

*Table 1: Rates proposed in the North Somerset Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS)*

3.11 Maps demarcating the different residential zones are attached as Appendix B. These zones were informed by viability information which showed lower viability in Weston and in particular that development in central Weston could not afford to pay any CIL.

3.12 A total of 36 respondents made nearly 300 comments on the PDCS consultation. A detailed consultation schedule is attached as Appendix E. The main issues raised and NSC’s responses are summarised in the sections below.

3.13 Following the PDCS consultation work was put on hold pending resolution of the North Somerset Core Strategy, as it is a requirement of CIL that an up-to-date Local Plan be in place.

**Draft Charging Schedule**

**a) Review of CIL rates:**

3.14 Further to the PDCS consultation, updated viability work has been carried out on North Somerset Council's behalf by Dixon Searle Partnership (DSP) consultants. Their key finding was that although sales values have increased since the PDCS consultation, this is offset by increases in construction costs, lowering viability in some areas. This is particularly significant for development in Weston, where the consultants recommend a "continued cautious approach" to the rates.

3.15 Viability outside of Weston – both in 2012 and 2016 – is notably better and the sales values in some areas have performed better than average. DSP comment that:

> "a case might now be made for a higher than previously proposed CIL charging rate in respect of the highest value areas of the district, as can be seen from the switch in the results trends for those."

3.16 Areas outside of Weston have also seen an increase in infrastructure requirements, resulting from recent speculative developments and proposed new areas of growth. Taking this into account along with the viability evidence, it is recommended that the Draft Charging Schedule consultation should propose an increase in the CIL rate for residential development outside of Weston from £60/ $m^2$ to £80/ $m^2$.

3.15 DSP carried out additional sensitivity testing on the following:

- Weston-super-Mare town centre: the area subject to a nil-CIL rate was re-checked in the light of consultation comments from Weston Town Council and the regeneration area proposed in the emerging North Somerset SPD for Weston Town Centre. DSP considered if the rate could be increased and whether the boundary of the zone was correct or needed amending. This demonstrated that the boundary proposed in the PDCS represented the lowest value areas of Weston and that a minor extension was inappropriate.
- The potential impact of the introduction of Starter Homes: it is possible as a result of expected national changes that a proportion (expected to be 20%) of future affordable housing will be required to be delivered in the form of Starter Homes. Sensitivity testing of this scenario by DSP shows an improvement in development viability and potentially higher CIL rates, particularly outside of Weston. It is intended that this sensitivity testing be included in the Draft Charging Schedule consultation materials. Once there is clarity about the national

requirements, NSC may wish to re-consider whether the rates can be amended and the advantages and disadvantages of doing so. However at the present time we are required to set rates based on compliance with the Core Strategy mix of rented and shared ownership tenures.

3.16 In moving from the PDCS to a Draft Charging Schedule, NSC and DSP have considered the responses to the PDCS consultation. A consultation response schedule is attached as Appendix E. Main issues raised included:

Principle of the CIL

A large majority of respondents supported the introduction of a CIL. Some emphasised the need for the CIL and S106 to work in parallel.

Viability, rates and zones

- *Rural areas should have lower rates as the rural economy is less viable.* Officer response: whilst NSC is sympathetic to the issues of the rural economy, CIL rates are based on development viability, not the viability of the economy as a whole. Most rural economic development (commercial buildings, agricultural uses) would be exempt or subject to zero CIL rates. Rural housing in contrast has a good level of viability and would not be compromised by CIL, even at a higher rate
- *Large sites (more than 500 homes): these face high infrastructure burdens and are likely to have a high level of residual S106; developers take a high financial risk and may have to wait some time before they see a cash return.*
  Officer response: the draft Regulation 123 List in Appendix D sets out the expected division of S106 and CIL and it is believed this will be reasonable in the context of large sites. In the North Somerset area, only two sites are currently expected to come forward that are larger than 500 homes: these are the Avoncrest/Weston Links site, which is already in a zero-CIL zone and NSC-owned land at Parklands. It would be disproportionate to set a differential CIL rate for a single site.
- *Care homes (C2 use class): various respondents expressed concerns at the proposed charge on C2 use class dwellings, arguing that such developments have lower gross-to-net sales space and that they are disadvantaged by the need to complete the full development before any units can be sold.*
  Officer response: this has been considered by our consultants, DSP. Some of this type of housing would be classified as affordable housing and would be automatically exempted from CIL. Where not affordable housing, the viability would depend on the nature of the individual proposal. Whilst the problems referred to above are acknowledged, the developments also in some cases yield some very high returns. As such, a rate in line with mid-range residential development seems a reasonable approach.
- *A single blended rate for all of Weston should be applied, so that town centre development contributes to infrastructure and that other*

*Weston development rates are lowered to reflect the mix of large sites and poor viability.*
Officer response: Weston Town Centre cannot at the present time support CIL charges. To introduce a blended rate would be likely to put town centre development at risk (by over-charging) or to lead to a very low rate for the area as a whole, which would further compromise infrastructure delivery. Most of Weston's large sites already have planning consent and will not be affected by CIL.

- *Retail*: *two issues were raised: (i) differential charges for small and large retail are not justified; and (ii) town centre development should be zero-rated to encourage town-centre retail.*
  Officer response: differential rates are based on development viability evidence and are discussed in detail in the DSP reports. Rates cannot be lowered or increased to meet policy objectives such as encouraging or discouraging developments in certain areas.

A further respondent suggested that greater clarity was needed on the types of residential that would be charged CIL, in particular whether use class C4 (Houses of Multiple Occupation) would be liable. It is not expected that many new-build HMO are likely come forward in North Somerset, but it is agreed that the definition of residential development should be amended to include this possibility and avoid creating loopholes.

A detailed technical response challenging rates was received from Savills on behalf of the House Builder Consortium Group. The points raised are considered and addressed as a separate table within Appendix E. Many of the points were raised in relation to large sites of more than 500 homes. As set out above, future delivery of the Core Strategy is expected to be less reliant on such sites.

<u>Operational issues: reliefs and phasing</u>
Responses on these issues are considered in paragraphs 3.28 – 3.36 below.

<u>Use of funding and split of S106 and CIL</u>
Questions about the use of funding received a large number of responses, with consultees suggesting a range of potential priorities for use of CIL funds. These are listed in Appendix E. Amendments and additions have been made to the updated Infrastructure Delivery Plan and draft Regulation 123 List where appropriate.

Town and Parish Councils emphasised the need for a share of CIL to be ringfenced to the local area and asked for clarity about the 'meaningful proportion' of CIL that they would receive. Further to the PDCS consultation it has been confirmed by government that Town and Parish Councils must receive 15% of CIL income relating to development in their area, subject to a maximum cap of £100 per council tax dwelling, or 25% uncapped if an adopted Neighbourhood Plan is in place.

3.17 The rates proposed by NSC are broadly in line with those of neighbouring authorities, which include a number of zero rate zones with varying residential rates above that starting at £40/$m^2$ in Sedgemoor going as high as £100/$m^2$ in the higher value areas Bath & North East Somerset. Rates for non-residential uses are more variable, from £10/$m^2$ for hotels in Sedgemoor up to £200/$m^2$ for student accommodation in Bath.

3.18 On the balance of evidence and with regard to the responses to the CIL PDCS consultation, the Executive is asked to agree that the Draft Charging Schedule (DCS) consultation should make propose changes to the CIL rates originally proposed through the PDCS, as follows:

(i) The inclusion of the C4 use class (Houses of Multiple Occupation) within the definition of residential development liable to CIL.
(ii) An increase in the CIL rate for residential development outside of Weston from £60/ $m^2$ to £80/ $m^{2.}$

Table 2 sets out the proposed revised table of rates:

| Location(s) | Use class | Proposed rate / $m^2$ |
|---|---|---|
| Weston Town Centre | Residential (C3/C4) | £0 |
| Outer Weston | Residential (C3/C4) | £40 |
| Rest of District | Residential (C3/C4) | £80 |
| All | Purpose-built student accommodation / halls of residence | £40 |
| All | Care homes (C2) (residential accommodation and care to people in need of care) | £40 |
| All | Large-scale retail (A1/A2/A3/A4/A5): more than 280m2 net sales area | £120 |
| All | Small-scale retail (A1/A2/A3/A4/A5): less than 280m2 net sales area | £60 |
| All | Commercial (B1/B2/B8) | £0 |
| All | All other qualifying development | £0 |

*Table 2: Rates proposed for the North Somerset Community Infrastructure Levy (CIL) Draft Charging Schedule (DCS)*

**b) Infrastructure Delivery Plan update**

3.19 An update to the North Somerset Core Strategy Infrastructure Delivery Plan has been produced to form part of the evidence base as to why the area needs a CIL. This provides an update on project delivery to date and reflects the current Core Strategy position in relation to the new housing requirement of 20,985 dwellings 2006 – 2026 and the proposed consequential changes to the remaining remitted policies. This is attached as Appendix C.

3.20 Many infrastructure schemes have been completed or are progressing well since the IDP was adopted in June 2013. A small number of new schemes have been identified, in particular to support the additional growth required as a result of the proposed changes to the Core Strategy remitted policies.

3.21 The Infrastructure Delivery Plan sets out a range of infrastructure required to support development across the area. This will be funded from a variety of sources, including development contributions. The CIL will form part of the mix of funding, but it is important to note that overall it will only meet a relatively small proportion of the costs. Work to secure other additional funding will need to continue. The CIL is based primarily on viability, not on infrastructure costs.

3.22 The Executive is asked to note the Infrastructure Delivery Plan update as part of the CIL evidence base for consultation and to note that a mixture of funding streams will be required to enable delivery of infrastructure, including the CIL, S106, NSC resources and external (government) funding. A further update to the Infrastructure Delivery Plan may be needed in due course pending the outcome of the Core Strategy examination of remitted policies and the CIL consultation process.

**c) Policies on reliefs and phasing**

<u>Phasing of payments</u>

3.23 CIL payments must be paid within 60 days of the commencement of development, other than where the local authority sets out arrangements for payment in instalments.

3.24 Where outline planning permissions are permitted to be implemented in phases, charges will be triggered for each set of reserved matters applications, e.g. these are treated as if they were new separate applications. Such phases would be liable for the rates that are current at that point in time and any policy for the phasing of payments would apply separately to each reserved matters phase.

3.25 The PDCS consultation proposed that North Somerset should not allow an instalments policy. This was opposed by a majority of respondents, as detailed in Appendix E. Key reasons were the impact on cashflow/viability; the costs of bringing forward large sites; and an argument that payment triggers should relate to occupation levels rather than calendar dates. Others argued that phasing should be agreed on a case-by-case basis.

3.26 CIL phasing policies cannot be adjusted on a case-by-case basis and NSC's understanding is that they cannot relate to occupation levels. NSC is sympathetic to cashflow issues, but rates have been proposed to be within the limits of viability and the impact on developers needs to be balanced against the community’s need for timely delivery of infrastructure. Phased payments would increase administrative costs.

3.27 On balance, it is recommended that NSC proceed without introducing a phasing policy. However, as some circumstances have changed since 2012 (notably that most of the area’s large sites have gained planning consent and will not be subject to CIL) – and given the concerns raised in the previous consultation – it is suggested that this be kept under review and be subject to a specific question through the Draft Charging Schedule consultation.

<u>Exemptions and discretionary relief from CIL</u>

3.28 In addition to those developments that are nationally exempted from CIL, the CIL regulations allow charging authorities to permit discretionary relief from CIL in two cases: (i) discretionary charitable relief; (ii) exceptional circumstances, where a developer argues that the CIL is not affordable.

3.29 As above, certain charitable developments are subject to a mandatory relief from the CIL, where a development is for the direct delivery of their charitable purposes. The option for discretionary charitable relief relates to developments which are an investment, from which the profits are applied for charitable purposes.

3.30 Exceptional circumstances relief, whereby a developer argues that the CIL is not affordable, can only be permitted in the following circumstances:

- The Council has published a formal policy decision allowing developments to apply for relief.
- A S106 agreement has been signed which incorporates a greater burden of S106 contributions than CIL contributions.
- The development can demonstrate a lack of viability and has not already received charitable relief or social housing exemptions.
- The site commences development within 12 months of relief being granted.

3.31 In the event that the above scenario applies, an independent person will be appointed to determine whether the evidence permits an exemption. The Council cannot itself determine whether an exemption is valid.

3.32 Discretionary relief policies are subject to State Aid regulations. This results in a maximum exemption at the EU State Aid de minimus level, currently around 200,000 Euros, to be applied to an individual company only once across a rolling three-year period. This would be likely to restrict its use for major development companies or sites.

3.33 Discretionary relief processes cannot be relied upon as a mechanism for ensuring viability of rates. Rates must be shown to be viable independently of such mechanisms.

3.34 The PDCS consultation did not propose any additional exemptions or discretionary relief from the CIL. Information on responses can be found in Appendix E. In summary:

(i) Discretionary charitable relief:
This issue received a relatively low number of consultation responses, some of which seem to have misunderstood the nature of the proposal. The main suggestion from respondents was that each case should be judged on its own merits, however this is not possible under CIL legislation which requires policies to be set in advance and consistently applied.

(ii) Exceptional circumstances relief:
As with charitable relief, some respondents argued that case-by-case decisions should be made. This is not possible – either the process is allowed or not allowed; if allowed the decision falls to a Planning Inspector, not NSC.
A concern was raised by representatives of Bristol Airport and Weston Villages developers, who were concerned about existing planning consents with a high burden of S106 that might be affected if they became liable for CIL (in particular if they needed to renew or amend their applications). This issue has largely been addressed through changes in government legislation that mean that no CIL charges would apply in such cases, other than if there was an increase in development area (in which case the additional area of development would be liable).

3.35 On the basis of the consultation responses and changes in government legislation, it is proposed that the PDCS approach be continued, i.e. that North Somerset does not permit discretionary charitable relief or exceptional circumstances relief.

3.36 Should circumstances in the future demonstrate that reliefs or phasing policies would be of benefit it is possible to introduce them without the need for further consultation or independent examination.

**d) Split of S106 and CIL**

3.37 In establishing a CIL, the Council must provide guidance as to what will be funded through CIL and what through S106, as it is not permitted to charge developers twice for the same infrastructure. This is achieved through the publication of a “Regulation 123 List”.

3.38 A draft Regulation 123 List is attached as Appendix D for consideration and comment. It is proposed this be consulted on as part of the DCS consultation evidence base. This is based on the updated Infrastructure Delivery Plan and takes account of suggestions from respondents to the PDCS consultation.

3.39 The Council is required to provide a draft Regulation 123 List for the CIL examination, but can change the list after implementation if it chooses.

**Timescale for the implementation of CIL**

3.40 The intended timetable for the adoption of a CIL is as follows:

- July / Aug 2016: consultation on Draft Charging Schedule.
- October 2016: report to Executive recommending submission of Draft Charging Schedule for Examination.
- Late 2016 / early 2017: Examination & Inspector's report.
- March/April 2017: Adoption of CIL.
- June/July 2017: Implementation of CIL.

3.41 Applications determined after the date of adoption would be subject to CIL regardless of the date of their submission to NSC. Most authorities leave a period of around three months post-adoption to allow applications already registered to be determined prior to implementation.

3.42 A variety of technical and other documents will be required for the consultation on a Draft Charging Schedule. It is recommended that authority be delegated to the Director of Development and Environment, in consultation with the Leader and Executive Member to approve these documents and evidence for consultation.

## 4. CONSULTATION

4.1 North Somerset's CIL Preliminary Draft Charging Schedule (PDCS) was consulted on in 2012. A consultation response schedule is attached as Appendix E and key issues have been considered in Section 3 above.

4.2 This report proposes a further public consultation, which will be followed by a public examination.

4.2 CIL proposals have been subject to extensive internal consultation and have been discussed at stakeholder forums for Town & Parish Councils and Planning Agents.

4.4 The current proposals will be discussed at an all Member briefing on 8th June and an update on any key issues or concerns provided to the Executive on 21st June.

## 5. FINANCIAL IMPLICATIONS

51. The adoption of a CIL is necessary for the Council to fund strategic infrastructure to support development. Rates will be set in line with regulations and government guidance, with a particular focus on development viability.

5.2 The CIL will assist with the delivery of infrastructure to support Core Strategy delivery, but is not expected in itself to fund all of the infrastructure required or to eliminate the infrastructure funding gap. A multi-faceted approach bringing together a wide range of funding sources including S106 agreements, external grants and NSC's own resources will be required. The Council's Medium Term Financial Plan assumes a combined CIL and S106 income of around £2m/year.

5.3 The implementation of a CIL will bring additional administrative costs as the charge will be applied to all development. These costs are expected to be met through the 5% of CIL permitted to be used to meet administrative costs. An officer working group has been established to explore the implementation of CIL and any resource implications.

5.4 It is anticipated that there will be pressure on Development Management resources to complete S106 agreements/planning permissions in the run up to the adoption of a CIL, by developers attempting to avoid the charge. Officers are aware of this potential pressure and will be working with members, services and partners to minimise the impact.

## 6. RISK MANAGEMENT

6.1 Key risks are that:

- CIL rates are set too high and compromise the delivery of the Core Strategy and five-year housing supply. Specialist consultant advice has been commissioned on this point. It is unlikely that excessively high rates would be accepted through the CIL Examination process. If rates are too high, the Examiner may require NSC to re-visit or lower the rates.
- CIL rates are set too low and compromise the delivery of the infrastructure required to support Core Strategy delivery. As above, the CIL is only one of several funding streams that will be used to support infrastructure delivery. This issue is subject to ongoing monitoring by NSC's Investment & Infrastructure Board.
- Opportunities to collect CIL from developments are missed due to the time required to adopt and implement the charge. There is little that can be done to reduce this risk, as the timetable for CIL is largely dictated by the formal procedures required. However, developments coming forward during this interim period will remain subject to S106 requirements.

## 7. EQUALITY IMPLICATIONS

7.1 The introduction of a CIL results from policy CS34 of the Core Strategy. The Equality Impact Assessment of Policy CS34 concludes that there are positive impacts in relation to disability; age; religion and belief; and income and deprivation. It summarises the impact as follows: "This policy seeks to ensure the timely delivery of infrastructure that is required from the demand from new developments. Improved services and facilities will benefit all, but are likely to have particular beneficial effects on the lives of various groups."

7.2 The CIL regulations include mandatory exemptions from CIL for affordable housing and specified charitable purposes, which may benefit disadvantaged groups. The Council will wish to have regard to equality implications in determining policies on discretionary charitable relief, which remain subject to further consideration.

## 8. CORPORATE IMPLICATIONS

8.1 The introduction of a CIL would have significant corporate implications in providing funding for new / improved infrastructure across a range of services and partners.

## 9. OPTIONS CONSIDERED

9.1 The main options considered are:

- To proceed with the introduction of a CIL with rates in line with the recommendations of the Dixon Searle Partnership: this is recommended in order to facilitate the collection of funding for infrastructure to support development and to ensure the defensibility of rates at examination.
- To set CIL rates that are higher or lower than the rates recommended by the Dixon Searle Partnership. This is not recommended as the rates chosen are deemed to strike an appropriate balance between infrastructure need and development viability, taking into account other considerations such as S106 contributions and policy requirements.
- To withdraw from the process of introducing a CIL: this is not recommended, as it will reduce the Council's ability to secure the delivery of infrastructure to support development.

## AUTHORS

Jenny Ford, Regeneration Manager, 01934 42 6609

## BACKGROUND PAPERS

Appendices

Appendix A: An introduction to the Community Infrastructure Levy (CIL)
Appendix B: Proposed residential zones for CIL charging.
Appendix C: North Somerset Core Strategy Infrastructure Delivery Plan: June 2016 update to delivery schedules
Appendix D: Draft Regulation 123 List: proposed division of CIL and S106.
Appendix E: Summary of responses to CIL PDCS consultation

Background information

Dixon Searle Partnership: North Somerset Council Community Infrastructure Levy Viability Review Update May 2016 (available on request)

Materials and responses from CIL Preliminary Draft Charging Schedule consultation: available at http://consult-ldf.n-somerset.gov.uk/consult.ti/cil_draft/consultationHome

**APPENDIX A**

## An introduction to the Community Infrastructure Levy (CIL)

### 1. What is the CIL?

The Community Infrastructure Levy (CIL) is a new charge which developers (including small developers) will be required to pay to help fund infrastructure needed to support development in the North Somerset area.

The CIL takes the form of a standard charge per m² of additional new floor space and is based on the size, type and area of new development. Most new residential and commercial development will pay the CIL, although the rates may vary for different locations and types of development.

Affordable housing, Starter Homes, self-build dwellings and some charitable purposes are exempted from CIL.

### 2. What will the CIL be spent on?

Once implemented, the CIL will be one of the main ways of funding infrastructure relating to future development.

The Council can spend the CIL on any infrastructure to support new development, other than that which is funded through Section 106 agreements. The Council has to publish a "Regulation 123" list which sets out what will be funded by the CIL and what through S106.

15% of the CIL will be passed directly to Town or Parish Councils, or 25% to those areas that have an adopted Neighbourhood Plan (these percentages are set nationally).

### 3. What about Section 106 agreements?

Once introduced, the CIL will partially replace and supplement the current system of securing developer contributions through Section 106 agreements. However, Section 106 agreements will continue for site-specific mitigation of development and affordable housing.

### 4. When will CIL charges start?

The Council cannot implement a CIL until it has an adopted Core Strategy.

To introduce a CIL the Council has to go through two sets of public consultation followed by a public examination and finally Council adoption and implementation of the rates.

Examinations are typically very focused on the viability of rates, which have to be affordable to the majority of development. There is not normally much discussion of the infrastructure to be funded or whether the CIL will meet the extent of need.

## 5. Differences between CIL and S106

| | S106 | CIL |
|---|---|---|
| **Purpose** | To mitigate the specific impacts of a specific development. | To fund infrastructure to support (new) development, especially where the infrastructure supports lots of different sites. |
| **Who pays?** | Developments of more than 10 dwellings or large commercial proposals (for example, Bristol Airport). | All developments that create:<br>- More than 100sqm new floorspace; OR<br>- Any new dwelling.<br><br>The main exemptions are:<br>- Buildings that people do not normally go into (such as sub-stations).<br>- Affordable housing and Starter Homes.<br>- Self-build.<br>- Developments by charities for the direct delivery of their charitable purposes.<br><br>In North Somerset some types of development will also have a 'nil' rate, including commercial and community uses. |
| **Who decides how much is paid?** | Decisions are made by planning officers and planning committees, but must comply with the following rules, which state that contributions must be:<br>- Necessary to make the development acceptable in planning terms (e.g. can we refuse permission)? AND;<br>- Directly related to the development; And<br>- Fairly and reasonably related in scale and kind. | Rates are set through two rounds of public consultation and an examination by the planning inspectorate.<br>Local authorities must demonstrate that they have struck an appropriate balance between infrastructure need and development viability.<br>Crucially, councils must not set rates so high that they deter development and prevent delivery of Core Strategy proposals. |

| | S106 | CIL |
|---|---|---|
| **What happens if a developer argues that they can't afford to pay?** | If a developer argues that they have viability problems, normally the council will look at the list of contributions to see if any of them can be delayed or reduced.<br>An application can be refused if the developer cannot afford to mitigate their impacts, but the council would have to be very sure that it had a strong evidence base showing how all of the requested contributions met the tests outlined in the section above. A lot of appeals are being won by developers arguing that requests from councils are illegal or otherwise unreasonable. | Once the rates are set they cannot be changed, even if a developer can't afford to pay. |
| **When are contributions paid?** | It depends on the application and on the infrastructure needed – this will be negotiated with the developer. | 60 days after commencement of development. |
| **Are there any rights of appeal?** | Yes – through the Planning Inspectorate. | Only on the basis of a technicality, e.g. if the rates have been calculated incorrectly. |
| **What can contributions be spent on?** | Only on the items specified in the S106 agreement, e.g. mitigation of specific impacts. | Anything that supports development. Funds can be switched between different projects and areas to allow prioritisation and phasing of projects.<br>The CIL is most likely to be used for infrastructure that benefits a range of development sites, for example strategic transport schemes.<br>Although there is a lot of flexibility about how CIL is spent, the key test is that it should support development – so for example it should not just be used to maintain existing facilities. |
| **Can contributions be pooled?** | A maximum of five contributions can be pooled towards the same infrastructure. | Yes – as many times as the council needs. |
| **Who decides how the money is spent?** | Planning committees and officers. | This has not yet been agreed, but it is hoped to align CIL spending with normal capital programme governance, including annual approval of proposals by Full Council. |

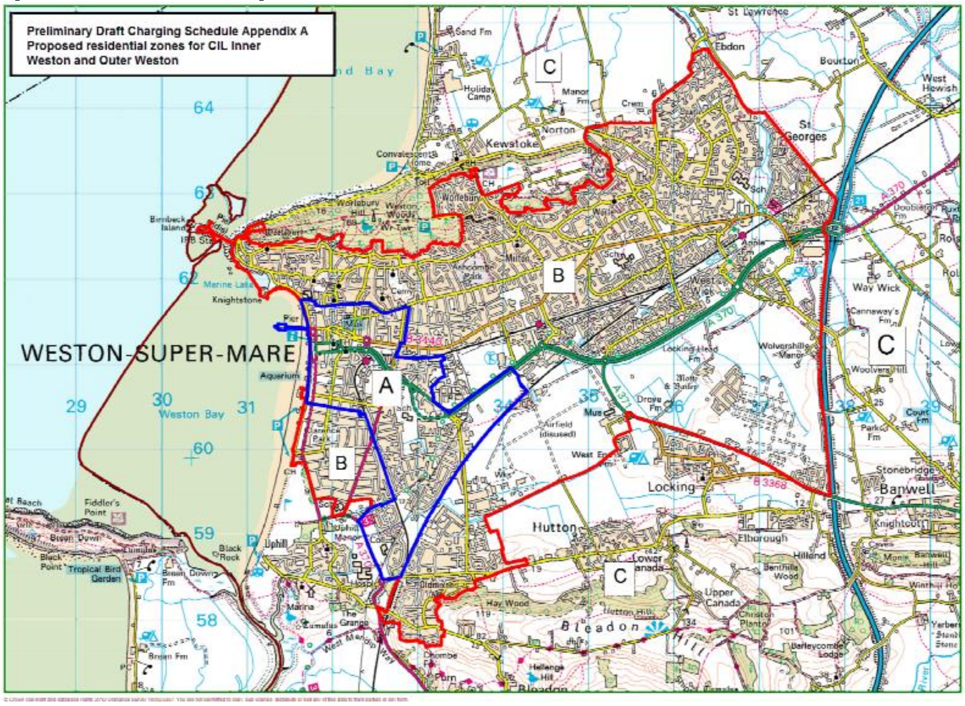
| | S106 | CIL |
|---|---|---|
| **Can local communities receive some of the money?** | Yes, if there is a specific impact that will be mitigated through the funding. | Town and Parish Councils will receive 15% of CIL income relating to development in their area, subject to a maximum cap of £100 per council tax dwelling, or 25% uncapped if an adopted Neighbourhood Plan is in place. |
| **Anything else?** | S106 and CIL cannot be spent on the same infrastructure. The Council will publish a “Regulation 123 List” of infrastructure to be funded through the CIL. Once that has been published, S106 contributions cannot be collected towards those projects. | |

**APPENDIX B**

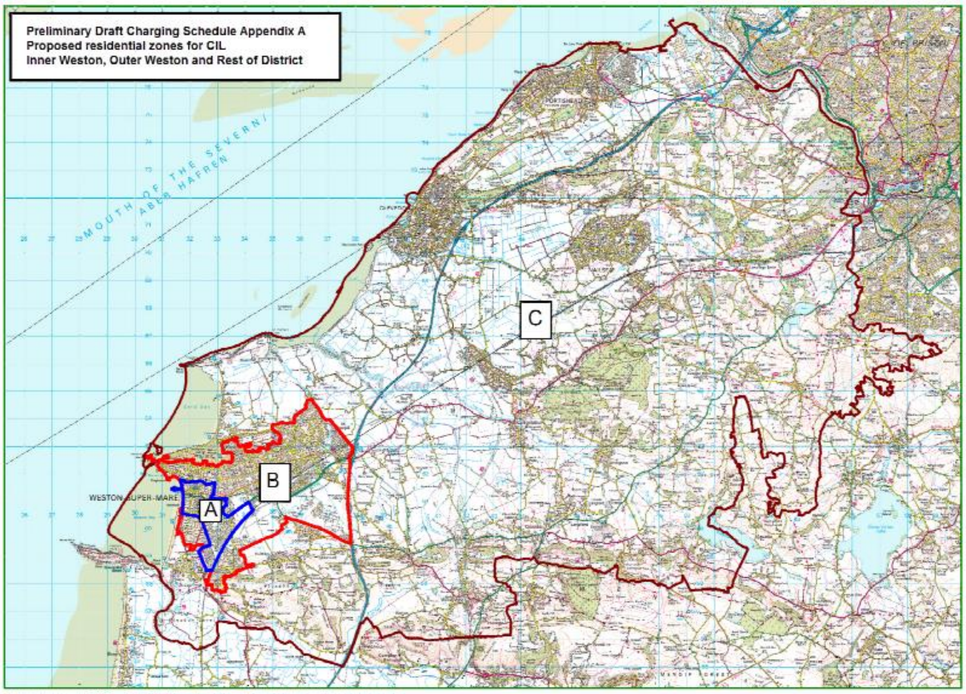
## Proposed residential zones for CIL charging

*Maps have been compressed for circulation purposes and quality may be compromised. Higher resolution versions are available on request from Jenny Ford.*

### a) Weston-super-Mare




### b) North Somerset



APPENDIX C

# North Somerset
# Core Strategy Infrastructure Delivery Plan 2006 - 2026

## June 2016 update of delivery schedules

## North Somerset Council

## Introduction

The North Somerset Core Strategy Infrastructure Delivery Plan (IDP) was adopted in June 2013.

The principles set out in the IDP remain extant. Additional guidance on aspects of infrastructure delivery has been provided through a range of Supplementary Planning Documents (SPDs), including SPDs on Affordable Housing and Development Contributions. These can be viewed at: http://www.n-somerset.gov.uk/my-services/planning-building-control/planningpolicy/supplementary-planning-advice/adopted-supplementary-plans/supplementary-plans-adopted/

This document provides an update to the IDP Delivery Schedules, taking account of:

- Progress on infrastructure delivery to date.
- The proposed increase in housing numbers from 14,000 to 20,985 and the emerging distribution of that development.
- Any other known changes or additions to the programme.

## PART 2: DELIVERY SCHEDULES

### TRANSPORT

*These projects relate in particular to CS10 of the Core Strategy and to all area-based policies and the Weston Villages SPD.*
*Notes: (i) a number of the schemes below may overlap - for example, it is normal for major highways schemes to incorporate bus, cycle & pedestrian facilities; (ii) in some cases there may be overlaps between cycle / pedestrian schemes detailed above and cycle / pedestrian schemes detailed under the service grouping "other community facilities, including green infrastructure". The same applies to public realm requirements relating to access.*

| Scheme | Cost estimate | Funding sources | Funding secured to date (£m) | Funding yet to be secured (£m) [1] | Delivery agent / mechanism | Delivery period | Location | Priority level | 2016 updates |
|---|---|---|---|---|---|---|---|---|---|
| **A. STRATEGIC SCHEMES** | | | | | | | | | |
| ***Currently being progressed (delivery planned 2013 - 2018)*** | | | | | | | | | |
| Weston Package Phase 1 | 15 | Various – including DfT Major Schemes funding. | 15 | 0 | NSC. | 2013 – 2016 | WSM | 1 | Completed |
| South Bristol Link | 46.1 | Various – including DfT Major Schemes funding. | 46.1 | 0 | NSC. | 2013 – 16 | Southeast of Long Ashton | 1 | Under construction: expected completion December 2016 |
| Ashton Vale BRT | 49 | Various – including DfT Major Schemes funding. | 49 | 0 | NSC. | 2013 – 16 | Ashton Vale | 1 | Under construction: expected completion May 2017 |
| M5 Junction 21 outbound improvements | 3.1 | New Homes Bonus (NHB) / DfT Pinchpoint. | 3.1 | 0 | NSC. | 2013 – 16 | WSM | 1 | Complete |
| Cross Airfield Link | 14 | S106 contributions. | 12.8 | 1.2 | Developer delivery. | 2013 – 21 | WSM | 1 | First phase complete; full completion expected 2017 |
| Metrowest Phase 1, incl. Portishead Rail | 50 | DfT / City-Deal / CIL | 0 | 50 | Network Rail. | 2013 – 21 | Bristol - Portishead | 1 | Construction start expected late 2019 |
| Infrastructure for showcase bus improvements (all areas) | 3.5 | LTP / LSTF / CIL / grants | 2.7 | 0.8 | NSC. | 2013 – 21 | All | 2 | Works through Weston Package and Metrobus schemes completed or under construction. |
| Strategic cycle routes, incl. WSM – Clevedon & WSM – Brean | 1 | LTP / CIL / grants | 0 | 1 | NSC | 2016 - 2026 | All | 3 | Preparatory works ongoing. |
| ***Future schemes*** | | | | | | | | | |
| M5 Junction 21 bypass (single carriageway alignment) | 13 | DfT / CIL | 0 | 13 | NSC | 2021 - 2026 | WSM | 2 | Land safeguarded at Parklands Village. |
| Airfield Bridge Link (ABL) phase 2: highway / bus | 29 | DfT / CIL | 0 | 29 | NSC | 2021 - 2026 | WSM | 2 | Land safeguarded at Weston Airfield. |
| Banwell bypass. | 30 | DfT / CIL | 0 | 30 | NSC | 2021 - 2026 | Banwell | 2 – 3 | |
| West of England cycling major scheme | 23 | LTP / CIL / grants | 0 | 23 | NSC | 2016 – 26. | All | 3 | |
| Long Ashton Park & Ride extension: additional 400 spaces | 2 | Bristol City Council / LTP / CIL | 0 | 2 | Bristol City Council | 2016 – 26. | Long Ashton. | 3 | |
| Herluin Way / Locking Rd link | 18 | DfT / CIL | 0 | 18 | NSC | 2021 - 2026 | WSM | 3 | |
| Barrow Gurney bypass | 13 | DfT | 0 | 13 | NSC | 2021 - 26 | Barrow Gurney | 3 (not needed if SBL proceeds). | No longer expected to be required due to South Bristol Link delivery. |

[1] Funding is not considered to be secured unless a formal commitment to provide the funding has been made by relevant parties, e.g. NSC, national government, developers through a signed S106 agreement.

| Scheme | Cost estimate | Funding sources | Funding secured to date (£m) | Funding yet to be secured (£m) [1] | Delivery agent / mechanism | Delivery period | Location | Priority level | 2016 updates |
|---|---|---|---|---|---|---|---|---|---|
| Bristol Airport Link Road | 104 | DfT / CIL | 0 | 104 | NSC | Beyond 2026 | All | 3 | |
| Second Avon crossing | 194 | DfT / CIL | 0 | 194 | NSC / HA | Beyond 2026 | All | 3 | |
| ***Sub-totals*** | ***607.7*** | | ***128.7*** | ***479*** | | | | | |
| **B. MAJOR GROWTH AREAS** | | | | | | | | | |
| North-South Link at Parklands Village | 11 | Developer cost / S106 | 11 | 0 | Developer. | 2013 – 2021 | WSM | 1 | Advanced stage of preparation. Funding secured subject to land agreement & planning. Construction due 2016 – 17. |
| Improvements to West Wick, Airport, Hutton Moor & Winterstoke roundabouts, incl. signalization | 4 | S106 / CIL / LTP | 1 | 3 | NSC | 2016 - 2026 | WSM | 1 – 2 dependent on individual project. | West Wick roundabout phase 1 improvements due for construction 2016 – 17 alongside North South Link project. |
| Weston Package Phase 2: includes Airfield Bridge Link (ABL) phase 1 (pedestrian / cycle); highways improvements; showcase bus routes; Weston Park & Ride; railway station / access improvements; strategic cycle routes; and public realm improvements | 14 | S106 / CIL / LTP | 0.1 | 13.9 | NSC / developers. | 2016 - 2026 | WSM | 2 – 3 dependent on individual project. | Strategic cycle improvements included in Weston Villages S106 agreements. |
| Nailsea & Backwell station improvements (car park & access ramp) | 2 | NSC / Access for All | 2 | 0 | NSC / Access for All | 2013 – 16. | Nailsea & Backwell | 2 | Car park expansion complete. |
| WSM public realm access-related improvements | 1 | LTP / S106 / grants | 0 | 1 | NSC | 2013 - 2026 | WSM | 2 – 3 dependent on individual project. | Range of improvements completed incl. to High Street. Further works planned as part of regeneration programme |
| Yatton and Congresbury area transport improvements. Phase 1: high street improvements and cycle/pedestrian connections | 1 | LTP / development contributions | 0.3 | 0.7 | NSC | 2016 - 2026 | Yatton & Congresbury area | 2 | New item identified in relation to increased growth in this area. |
| ***Sub-totals*** | ***33*** | | ***14.4*** | ***18.7*** | | | | | |
| **Total:** | **640.7** | | **143.1** | **497.7** | | | | | |

**C. GENERAL REQUIREMENTS:**

These requirements would apply to all areas and sites, including those in the Major Growth Areas. The expectation will be that most requirements will form part of normal development costs or otherwise be funded through development contributions. The requirements for such contributions will be assessed and prioritised through the development management process according to the size & location of proposals.

- Site-specific on- and off-site highways requirements, e.g. access roads, junction enhancements.
- Bus services for new developments. May include improvements to existing services.
- Pedestrian & cycle schemes incl. bridges, crossings, cycle parking & education. May include new provision and / or improvements to existing routes.

Note that there may be overlaps between cycle / pedestrian schemes detailed above and cycle / pedestrian schemes detailed under the service grouping “other community facilities, including green infrastructure”. The same applies to public realm requirements.

**SERVICES, FLOOD MITIGATION & ECONOMY**

*These projects relate in particular to policies CS1, CS 3 and CS7 of the Core Strategy, to all area-based policies and to the Weston Villages SPD.*

| Scheme | Cost estimate | Funding sources | Funding secured to date (£m) | Funding yet to be secured (£m) [2] | Delivery agent / mechanism | Delivery period | Location | Priority level | 2016 updates |
|---|---|---|---|---|---|---|---|---|---|
| **A. STRATEGIC SCHEMES** | | | | | | | | | |
| Broadband provision: capability & demand stimulation | 90 | BDUK / NHB / Private sector | 90 | 0 | BDUK | 2013 – 2016/17 | All | 1 | 15 months into BDUK Phase 1 programme. Currently tendering for Phase 2 (Phase 1 seeking 90% coverage; Phase 2 seeking an additional 5% reach). |
| Strategic utilities provision (excepting broadband): as set out in Joint Waste Core Strategy / Bristol Water Resources Management Plan / Wessex Water Business Plan / Western Power Distribution Business Plan / Wales & West Utilities Infrastructure Plan. | Costed within specified plans. | Private sector (utilities companies). | N/a | N/a | Private sector (utilities companies) | Up to 2026 | All | 1 | Residual waste treatment plant provided at Aisecombe Way in WSM. |
| ***Sub-totals*** | ***90*** | | ***90*** | ***0*** | | | | | |
| **B. MAJOR GROWTH AREAS** | | | | | | | | | |
| Weston Villages Strategic Flood Solution. | 9.7 + construction of Superpond North by Persimmon Homes | RIF forward-funding, to be repaid through development contributions (S106). | 9.7 + Superpond North construction | 0 | NSC / developer delivery. | 2013 - 2016 | WSM | 1 | NSC-led works complete. Second phase of Persimmon Superpond North to be completed as part of next phase of development. |
| Utilities (broadband): employment sites at J21 Enterprise Area to be provided with superfast broadband capability. | Site specific. | Development cost. | N/a | N/a | Developer delivery. | 2013 - 2016 | WSM | 1 | In progress. |
| Kenn catchment improvements | TBC | Various incl. development contributions | 0 | TBC | NSC or partner organisations | 2016 - 2026 | Kenn/Yatton | 1 - 2 | Measures required to address cumulative impacts; scheme options under consideration. |
| ***Sub-totals*** | ***9.7*** | | ***9.7*** | ***0*** | | | | | |
| **Total:** | **99.7** | | **99.7** | **0** | | | | | |

**C. GENERAL REQUIREMENTS:**

These requirements would apply to all areas and sites, including those in the Major Growth Areas. The expectation will be that most requirements will form part of normal development costs or otherwise be funded through development contributions. The requirements for such contributions will be assessed and prioritised through the development management process according to the size & location of proposals.

- Site-specific on- and off-site flood mitigation (including addressing cumulative impacts). To be assessed through Flood Risk Assessments and associated studies.
- Utilities (water / waste / energy incl. 15% renewable requirement etc) (private sector delivery / development cost).
- Economic development fund: contributions to marketing & inward investment support, local training & skills provision, business support etc; and compliance with employment-led policy requirements.

[2] Funding is not considered to be secured unless a formal commitment to provide the funding has been made by relevant parties, e.g. NSC, national government, developers through a signed S106 agreement.

**EDUCATION**

*These projects relate in particular to policy CS25 of the Core Strategy, to all area-based policies and to the Weston Villages SPD.*

| Scheme | Cost estimate | Funding sources | Funding secured to date (£m) | Funding yet to be secured (£m) [3] | Delivery agent / mechanism | Delivery period | Location | Priority level | 2016 updates |
|---|---|---|---|---|---|---|---|---|---|
| **A. STRATEGIC SCHEMES** | | | | | | | | | |
| North Somerset Enterprise Technical College (NSETC) | 27 | DfE / Weston College / development contributions | 27 | 0 | Education Funding Agency (EFA) | 2013 - 16 | Located WSM, but students may attend from all areas. | 1 | Under construction: opening Sept 2016 |
| ***Sub-totals*** | ***27*** | | ***27*** | ***0*** | | | | | |
| **B. MAJOR GROWTH AREAS** | | | | | | | | | |
| Additional secondary education provision, Weston area: expansion of existing schools and / or new provision: 1500 – 2200 places in addition to NSETC, subject to modelling. | 26.3 | DfE / S106 / CIL | 11 | 15.3 | NSC / developers / academies / EFA | 2016 – 26 | WSM | 1 | Consultations anticipated summer 2016 on expansion of existing schools in North Somerset. Site safeguarded in Parklands; delivery tbc |
| Primary schools at Weston Villages: subject to modelling, 5 x 420 place primary schools with ability to expand (or equivalent provision). | 30 | DfE / S106 | 18 | 12 | Developers | 2016 - 26 | WSM | 1 | Haywood Village Primary School under construction opening Sept 2016. Locking Parklands primary school planning application submitted for opening Sept 2017. Mead primary school secured through S106. |
| Weston Town Centre & central Weston: 2 x 210 – 420 primary schools. | 12 - 15 | DfE/Development contributions | 0 | 12 - 15 | NSC/Free School programme | 2018 - 2026 | WSM | 1 | New item. |
| Portishead: 210 primary school places through expansion of existing school. | 0.5 | DfE / NSC | 0.5 | 0 | NSC | 2013 - 16 | Portishead | 1 | Completed. St Peters has expanded to 630 places. |
| Yatton: 210 – 420 primary school places. | 6 | DfE/Development contributions | 0 | 6 | NSC/Free School programme | 2016 - 2026 | Yatton | 1 | New item. Land safeguarded at Arnold's Way. |
| ***Sub-totals*** | ***74.8 – 77.8*** | | ***29.5*** | ***45.3 – 48.3*** | | | | | |
| **Total:** | **99.8 – 101.8** | | **56.5** | **45.3 – 48.3** | | | | | |

**C. GENERAL REQUIREMENTS:**

These requirements would apply to all areas and sites, including those in the Major Growth Areas. The expectation will be that most requirements will form part of normal development costs or otherwise be funded through development contributions. The requirements for such contributions will be assessed and prioritised through the development management process according to the size & location of proposals.

- Other primary & secondary school provision: may include on-site provision at larger development sites; but generally more likely to be focused on improving / extending existing schools, subject to their agreement.
- Pre-school provision: may include on-site provision at larger development sites. Can include private nurseries / crèches, community pre-school providers, childminders, school nursery classes etc. Requirement is to ensure availability of suitable facilities - these will be shared-use wherever possible.
- Special Educational Needs (SEN): financial contributions towards additional provision.
- Financial contributions towards youth provision based on assessment of need resulting from development.
- Contributions towards Children's Centre family-based services based on assessment of need arising from the development.

[3] Funding is not considered to be secured unless a formal commitment to provide the funding has been made by relevant parties, e.g. NSC, national government, developers through a signed S106 agreement.

**<u>OTHER COMMUNITY FACILITIES</u>, including green infrastructure:**
*These projects relate in particular to policies CS25, CS26 and CS27 of the Core Strategy, to all area-based policies and to the Weston Villages SPD.*
*Note: in some cases there may be overlaps between cycle / pedestrian schemes detailed below and cycle / pedestrian schemes detailed under the service grouping "transport". The same applies to public realm requirements where these relate to improving access.*

| Scheme | Cost estimate | Funding sources | Funding secured to date (£m) | Funding yet to be secured (£m) [4] | Delivery agent / mechanism | Delivery period | Location | Priority level | 2016 updates |
|---|---|---|---|---|---|---|---|---|---|
| **A. STRATEGIC SCHEMES** | | | | | | | | | |
| Hutton Moor leisure centre expansion, to fitness gym and pitch improvements and leisure pool | 11.7 | Private sector / City-Deal EDF | 0 | 11.7 | NSC/private sector. | 2016 - 2020 | WSM | 2 | New item |
| Improvements to other strategic (existing) community facilities to respond to increased usage resulting from development, e.g. leisure & community centres, sports pitches & courts. | 20 | Grant funding / CIL. | 1 | 19 | NSC / partner organisations. | 2013 - 26 | All | 3 | Campus improvements delivered 2016 with BMX facility to commence shortly. Proposals for Nailsea under consideration. |
| Extension to Ebdon Road cemetery, WSM (5 acres) | 0.8 | Private sector | 0.8 | 0 | Private sector. | 2013 – 2016. | WSM | 2 | Construction starting 2016. |
| Improvements to strategic green infrastructure, e.g. Weston Woods; Salthouse Fields & Marine Lake; Grove Park. | 5 | Grant funding / CIL. | 1.5 | 3.5 | NSC | 2013 – 26 | All | 3 | Initial programme completed including Clevedon Marine Lake. Minor improvements to Grove Park ongoing. |
| Strategic PROW and cycle-route improvements, incl. coast path, WSM - Portishead; Strawberry Line; Charlton Drive; Clevedon – Nailsea Cross Moor. | 7 | Grant funding / CIL. | 0.2 | 6.8 | NSC | 2013 – 26 | All | 3 | Programme ongoing. |
| Public realm & public art: improvements to existing town centres & other public realm (e.g. Weston Civic Pride enhancements). | Various | Grant funding / development contributions. | N/a | N/a | NSC / partner organizations. | 2013 – 26. | All. | 3 | Programme ongoing. |
| ***Sub-totals*** | ***44.5*** | | ***3.5*** | ***41*** | | | | | |
| **B. MAJOR GROWTH AREAS** | | | | | | | | | |
| Community capacity building fund (incl. support for future community management of facilities) (large sites). | 0.6 | S106 / CIL. | 0.2 | 0.4 | NSC / voluntary sector | 2013 – 26. | All | 1 | Weston Airfield programme under delivery. |
| Local centres at Weston Villages, incl. 1500sqm retail at Parklands Village & 1000sqm retail at Winterstoke Village. | Dependent on final specification | Developer delivery / private sector | N/a | N/a | Developer delivery / private sector. | 2016 - 26 | WSM | 2 | Weston Airfield local centre under construction. Parklands Village high street to be delivered as part of North South Link programme. |
| Shared-use built community facilities at Weston Villages: 2700m2 total, approx. 1500 - 2000m2 of which expected to be co-located at schools. All facilities will be shared-use, e.g. pre-school, place of worship, service access points, sports, library access, meeting spaces. Commuted sums for agreed maintenance period. | 3 | S106. | 2 | 1 | Developer delivery. | 2013 – 26. | WSM | Initial facilities in each site: 1 - 2. Later facilities: 2 – 3. | 1) Weston Airfield; shared-use community facilities at Haywood Village primary school opening Sept 2016. 2) Locking Parklands: chapel restoration starting shortly for completion late 2016. Additional facilities at primary school will follow in Sept 2017. |

[4] Funding is not considered to be secured unless a formal commitment to provide the funding has been made by relevant parties, e.g. NSC, national government, developers through a signed S106 agreement.

| Scheme | Cost estimate | Funding sources | Funding secured to date (£m) | Funding yet to be secured (£m) [4] | Delivery agent / mechanism | Delivery period | Location | Priority level | 2016 updates |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Both sites have temporary facilities in place. |
| Health: GP practice at Weston Villages. | 2.8 | Health service / development contributions. | 1 | 1.8 | Developer / Health Trust. | 2016 – 21. | WSM | 2 | Land and S106 contributions secured through Parklands planning applications. NHS England developing detailed business plan. |
| Additional police facilities and CCTV / ANPR at Weston Villages. | 1.6 | Avon & Somerset police / development contributions. | 1.6 | 0 | Avon & Somerset Police / developer delivery. | 2016 – 21. | WSM | 2 | Police response centre due to be constructed at Weston Gateway site 2016 – 17. CCTV/ANTM required through S106 agreements. |
| 3 - 7 bay fire station (possible re-location of existing facility) | TBC | Avon & Somerset Fire Service. Possible developer contribution to co-located community services. | 0 | TBC | Avon & Somerset Fire Service. | 2016 – 21. | WSM | 2 | Not being actively pursued at the current time. |
| Place of worship at Weston Villages - to be co-located with other community facilities. | | | | | | | | | |
| ***Sub-totals*** | ***8*** | | ***4.8*** | ***3.2*** | | | | | |
| **Total:** | **52.5** | | **45.8** | **44.2** | | | | | |

## C. GENERAL REQUIREMENTS:

These requirements would apply to all areas and sites, including those in the Major Growth Areas. The expectation will be that most requirements will form part of normal development costs or otherwise be funded through development contributions. The requirements for such contributions will be assessed and prioritised through the development management process according to the size & location of proposals.

- Green infrastructure: all sites of 10+ dwellings to provide on/near-site green infrastructure + 15 yrs commuted sum for maintenance; OR if not appropriate, upgrading of nearby existing provision.
- Children's play areas & Multi-Use Games Areas (MUGAs): all sites of 10+ dwellings to provide on / near play areas + 15 yrs maintenance OR, if not appropriate, upgrading of nearby existing provision.
- Sports pitches: larger sites may require on-site provision, to include changing rooms, parking & commuted sum payment for 15 years maintenance; OR if not appropriate, upgrading of nearby existing provision.
- Libraries: contributions according to site & location towards existing facilities, incl. enhancements, additional opening hours & stock to respond to increased demand.
- Built community, leisure & sports facilities (village halls, sports centres, etc): contributions according to site and location. Larger sites may require on-site new facilities, but generally contributions will be sought towards the improvement / expansion of off-site existing facilities to deal with the pressure of increased use.
- On-site Public Rights of Way (PROW) and cycle routes or upgrading of linked / nearby existing provision, as appropriate.
- Police requirements: large-developments (200+ dwellings) to provide CCTV / ANPR at appropriate locations.

**HOUSING & SOCIAL SERVICES**
*These projects relate in particular to policies CS15 – CS18 of the Core Strategy and to the North Somerset Affordable Housing SPD.*

| Scheme | Cost estimate | Funding sources | Funding secured to date (£m) | Funding yet to be secured (£m) [5] | Delivery agent / mechanism | Delivery period | Location | Priority level | 2016 updates |
|---|---|---|---|---|---|---|---|---|---|
| **A. STRATEGIC SCHEMES** | | | | | | | | | |
| Gypsy & Traveller site provision: 60 additional pitches. | Dependent on specific schemes that come forward | HCA / S106 | 2.1 (providing 29 pitches) | Dependent on specific schemes | RP / NSC | 2013 - 2021 | All | 2 | Residential scheme completed at Old Junction Way. |
| ***Sub-totals*** | | | | | | | | | |
| **B. MAJOR GROWTH AREAS** | | | | | | | | | |
| Extra care: 219 units throughout WSM, incl. minimum 1 x 50 unit schemes in each of Weston Villages | Dependent on specific projects that come forward | HCA / S106 | 0 | Dependent on specific schemes | RP | 2013 - 2026 | WSM | 2 | |
| ***Sub-totals*** | | | | | | | | | |
| **Total:** | | | **2.1** | | | | | | |

**C. GENERAL REQUIREMENTS:**

These requirements would apply to all areas and sites, including those in the Major Growth Areas. The expectation will be that most requirements will form part of normal development costs or otherwise be funded through development contributions. The requirements for such contributions will be assessed and prioritised through the development management process according to the size & location of proposals.

- Affordable housing: 30% on all sites over 10 units or 0.3 hectares; financial contributions from sites of more than 10 dwellings.
- Extra care: 219 units across NSC outside WSM.

[5] Funding is not considered to be secured unless a formal commitment to provide the funding has been made by relevant parties, e.g. NSC, national government, developers through a signed S106 agreement.

**APPENDIX D**

## DRAFT REGULATION 123 LIST: proposed division of CIL and S106

*Note: inclusion in this list does not entail that a given project will receive CIL or S106, only that it may do so if sufficient resources are available and the project is prioritised to receive funds.*

| Community Infrastructure Levy | S106 planning obligations |
|---|---|
| Community capacity funding and youth services | Affordable housing (*national regulations state that this cannot be funded through CIL*) |
| Strategic broadband schemes | Pre-school and primary school provision in Strategic Development Areas |
| Pre-school and primary school provision, except in Strategic Development Areas | On-site community, leisure and sports provision, e.g. playparks, sports pitches and MUGAs |
| Secondary school and Special Educational Needs and Disabilities (SEND) provision | Employment-led direct delivery |
| Off-site community, leisure and sports provision | On-site / near-site SuDS and scheme specific flood mitigation |
| Economic development and employment-led financial contributions | Strategic flood schemes linked to Strategic Development Areas |
| Emergency services provision | On-site green infrastructure |
| Strategic flood and drainage schemes, where not associated with a Strategic Development Area | On-site access and highway provision |
| Off-site green infrastructure and public realm | Near site highways mitigations identified through Transport Assessments |
| Public Rights Of Way improvements | On-site and near-site sustainable transport access (bus stops, foot & cycleways) |
| Health services | Travel Plan measures |
| Libraries and information services | Fees associated with planning obligations |
| Bus and other public transport services | Commuted sums for maintenance |
| Sustainable Transport Fund / sustainable transport initiatives | |
| Strategic transport schemes – including rail and cycle/pedestrian routes. | |
| Waste management | |

Strategic Development Areas (SDAs) are proposed to be defined as a development or series of developments in close proximity to each other where the total number of new dwellings will exceed 500 or where otherwise the Council feels that the development has an exceptional impact on the local area. At the present time two areas are proposed to be identified as SDAs: (i) the Weston Villages as defined in the Weston Villages SPD; (ii) Weston-super-Mare Town Centre as defined by the Weston Town Centre zero CIL rate charging zone.

**APPENDIX E**

**SUMMARY OF RESPONSES TO COMMUNITY INFRASTRUCTURE LEVY (CIL) PRELIMINARY DRAFT CHARGING SCHEDULE CONSULTATION HELD 9TH NOVEMBER 2012 - 4TH JANUARY 2013**

**Total 36 respondents with 279 comments**

Note: a schedule of all responses in full and NSC's consideration of those responses can be viewed at: http://consult-ldf.n-somerset.gov.uk/consult.ti/cil_draft/listresponses. This table summarises the key points made by respondents.

## a) General responses:

| Responses | NSC comments | Proposed changes |
|---|---|---|
| **1. Do you agree that North Somerset Council should introduce a CIL?** Total 19 comments. | | |
| A total of 19 comments were received:<br>• 15 respondents wholly or broadly agreed.<br>• One respondent disagreed.<br>• Three respondents made other related comments. | Support of majority of respondents noted. | No change. |
| **2. Are there any alternative mechanisms that should be considered to ensure that developers contribute appropriately towards infrastructure to support development, in particular the cumulative effects of development?** Total 14 comments | | |
| Three respondents did not feel there were alternatives that should be considered.<br>Four respondents advocated the use of a mixture of CIL and S106.<br>Three respondents felt that only S106 should be used (two of these were specifically discussing the issue of strategic sites).<br>Four respondents had no comments or made comments on other related issues. | Mixed views noted, but majority of those who commented believed that CIL should be at least part of the mechanism for funding infrastructure related to development. | No change, but greater clarity to be provided on balance of CIL and S106 through draft Regulation 123 list. |
| **3. Do you agree with the methodology and key assumptions used in the viability assessment? If not, what alternative methods/assumptions would you suggest, and why?** Total 18 comments. | | |

| Responses | NSC comments | Proposed changes |
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| **4. Are there any other reasons for which you believe the conclusions of the viability assessment are incorrect? If so, please give details and explain what you believe the conclusions should be.** Total 15 comments. | | |
| The majority of respondents to these questions either supported the methodology, assumptions and conclusions or made no comments. Other comments are listed below. | Noted. | No change. |
| Greater consideration should be given to agricultural uses and the difference between urban and rural economies. | Most agricultural uses will be exempt from CIL or are subject to nil rates.<br>Where there are variations in rates, this is based on development viability, not the viability of the wider economy. | No change. |
| The assessment should include social and environmental impacts. | NSC must strike a balance between infrastructure need and development viability; this includes consideration of relevant social and environmental impacts. | No change. |
| Very large developments should be subject to higher CIL rates due to their increased impact. | Differential rates must be informed by viability evidence rather than policy preference. Very large developments will pay more CIL due to their size. | No change. |
| More detailed consideration should be given to the viability issues of very large sites (>500 dwellings) (three respondents). | Paragraphs 3.3.15 – 3.3.18 of the DSP Viability Review Update 2016 discuss this issue.<br>Only two of the non-consented sites proposed to be allocated in the Site Allocations Plan are greater than 500 units, one of which is in the nil CIL Weston Town Centre area. A further differential rate for a single site is not appropriate. | No change. |
| Test higher levels of affordable housing beyond 30% as there is no limit in the Core Strategy. | Not agreed; NSC does not actively seek more than 30% affordable housing on a site. | No change. |
| Full appraisal needed for C2 Care Homes.<br>Viability of C3 older people's housing is a concern. | The DSP Viability Review Update 2016 comments on these considerations in paragraphs 3.3.10 – 3.3.14. | No change. |
| Smaller settlements may lose out on investment because CIL is insufficient to meet all needs. | Town and Parish Councils in which development takes place will receive a meaningful proportion of CIL. Other expenditure will be prioritised in line with | No change. |

| Responses | NSC comments | Proposed changes |
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| | the Infrastructure Delivery Plan and associated mechanisms. | |
| The charging schedule and evidence base fail to address whether the differential rates would give rise to notifiable State Aid or selective advantage to any given type or types of development. | Differential rates are now well established in principle and practice, provided that they are based on evidence of differential economic viability. | No change. |
| Note: a detailed response to these questions was received from Savills on behalf of the House Builders Consortium Group – please see separate schedule below. | | |
| **5. Do you agree with the proposed CIL rates and geographical charging zones for residential development? If not, what do you think the rates should be and why?** 20 comments. | | |
| Eight respondents supported the different zones or supported them with some caveats. | Support noted. | No change. |
| Greater consideration should be given to the viability of the rural economy. | Where there are variations in rates, this is based on development viability, not the viability of the wider economy. Most non-residential rural uses will be exempt from CIL or are subject to nil rates. | No change. |
| Higher rates should apply to sites falling below the affordable housing threshold. | See paragraphs 2.2.4 and 2.2.5 of the DSP Viability Review Update 2016. | No change. |
| Lower rates should be set to stimulate affordable housing in rural areas. | Rates are based on development viability. Affordable housing and Starter Homes are exempt from CIL. | No change. |
| Concern that Weston's zero rate means that others areas will be funding its infrastructure. | Noted. However development viability assessments for Weston Town Centre have shown that this area cannot support CIL charges. | No change. |
| A blended single rate should be applied to all of Weston (two respondents), in part to reflect the sharing of infrastructure. | | |
| Higher rates for areas outside Weston could deter desirable smaller developments. Developers in such areas will also argue to have their S106 reduced, meaning that local communities miss out on funding of local facilities. | Where there are variations in rates, this is based on development viability.<br>Rates have been set to take account of a residual S106 amount.<br>Local communities will receive a proportion of CIL through their Town or Parish Council. | No change. |
| Zero rate for Weston Town Centre should be extended to cover the Grove Village area including Wadham | Additional testing has been carried out – see paragraph 3.2.7 of the DSP Viability Review Update | No change. |

| Responses | NSC comments | Proposed changes |
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| Street and to the seafront area north of Weston College and west of Lower and Upper Church Road as far as Birnbeck Pier. | 2016 – but has found that this area has higher viability than the proposed zero rate zone. | |
| Rates for cares homes should be reduced. | The DSP Viability Review Update 2016 comments on these considerations in paragraphs 3.3.10 – 3.3.14. | No change. |
| The CIL should only be applied to sites of more than 10 dwellings. | Where there are variations in rates, this is based on development viability. See paragraphs 2.2.4 and 2.2.5 of the DSP Viability Review Update 2016. | |
| **6. Do you agree with the proposed CIL rates for retail development? If not, what do you think the rates should be and why?** 18 comments. | | |
| Two respondents supported the proposals without further comment, whilst three others supported the proposals but expressed reservations about some aspects.<br>Eight respondents opposed the proposals, for varying reasons.<br>Five respondents made no comment. | It is noted that the majority of respondents objected to the proposals. There were three main grounds for objection:<br>i) That rates differentiated by size of development are not permissible: this was a contested point at the time of the PDCS consultation but it has since been clarified that such an approach is acceptable.<br>ii) That rates should be lower in certain locations to incentivise and/or avoid barriers to retail development in preferred areas such as town centres and rural areas, or that they should be lower to encourage job creation. Whilst NSC is sympathetic to these arguments, it is not permitted to set rates on the basis of policy preferences.<br>iii) A lack of evidence for the chosen rates. This is not agreed: detailed evidence is provided in paragraphs 3.4.1 – 3.4.21 of the CIL Viability Appraisal 2012 and the Viability Review Update 2016.<br>It is noted as well that some respondents objected because they felt the rates should be higher. | No change. |

| Responses | NSC comments | Proposed changes |
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| **7. Do you agree with the proposed CIL rates for student accommodation? If not, what do you think the rates should be and why?** 14 comments. | | |
| Six respondents supported the proposed rates.<br><br>Three respondents opposed the rates, two of whom felt they should be the same rates as other residential or commercial development. No further evidence was provided as to why this should be the case.<br><br>Five respondents gave no comment. | Support of majority of respondents noted. | No change. |
| **8. Do you agree with the proposed CIL rates for care homes? If not, what do you think the rates should be and why?** 15 comments. | | |
| Five respondents expressed support.<br>Five respondents expressed opposition (comments below).<br>Five respondents made no comment | Mixed views noted, but no detailed evidence submitted for consideration. | No change. |
| Rates should be the same as for commercial uses. | The DSP Viability Review Update 2016 comments on these considerations in paragraphs 3.3.10 – 3.3.14. | No change. |
| Care home are more complex than student housing so should have higher rates. | | |
| Insufficient viability evidence provided for the charge on C2 uses. | | |
| Rates should be lower due to the increasing need for care homes (two respondents). | It is not permitted to set rates on the basis of policy preferences such as encouraging or discouraging certain types or locations of development. | No change. |
| Rates should be higher as we have an over-provision of care homes and this creates a burden for social services. | | |
| Charges should also be applied to the C4 use class as inhabitants will require care. | It is felt unlikely that many new dwellings will be built as Houses of Multiple Occupation (HMO), other than those such as care homes, but agreed that these should be added to the classification of residential dwellings. | Definition of residential development to be expanded to cover C4 use. |
| **9. Do you agree with the proposed CIL rates for commercial development? If not, what do you think the rates should be and why?** 13 comments | | |

| Responses | NSC comments | Proposed changes |
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| Eight respondents supported the rates, some with reservations.<br>Three respondents opposed the rates.<br>Two respondents made no comment. | All of the respondents expressing concerns about the rates (with one exception) argued that the rates should be lower in some circumstances. This is not possible as the rates are already proposed to be zero.<br><br>One respondent argued that commercial development should pay a nominal charge to reflect that it will have an impact on the local area. This is not supported by the viability evidence. | No change. |
| **10. Do you agree with the proposed CIL rates for all other qualifying development? If not, what do you think the rates should be and why?** 14 comments | | |
| Five respondents supported the rates. Three respondents made no comments. | Noted.<br>Suggested other uses that could or should attract higher rates were: | No change. |
| Other suggestions for other uses that should pay rates:<br>- Large-scale agricultural uses (mega-dairies).<br>- Sports & leisure buildings:<br>- Affordable housing. | Affordable housing is nationally exempted from the CIL.<br><br>It is possible that the proposals may have some degree of viability that could enable CIL charging, however the desire of collecting funding should be considered against the disadvantages of an overly complex charging system and the small amount of development expected of these types (excepting affordable housing). On balance, the council's preference is to maintain simplicity. | No change. |
| **11. Do you believe there are any alternative or further sub-divisions of development zones or uses that should be considered for separate rates? Please provide details and rationale.** 16 comments. | | |
| Four respondents felt no changes were necessary. Alternative suggestions are detailed below. | Noted. | No change. |

| Responses | NSC comments | Proposed changes |
|---|---|---|
| Low cost housing | Affordable housing and Starter Homes are nationally exempted from CIL. | No change. |
| Further consideration of rural zones, villages and/or rural occupational housing, in reflection of the problems of the rural economy and the need for more affordable housing in rural areas (three respondents). | Most agricultural uses will be exempt from CIL or are subject to nil rates. Self-build housing is also exempt. Where there are variations in rates, this is based on development viability, not the viability of the wider economy.<br>Whilst NSC is sympathetic to some of the arguments that are made, it is not permitted to set rates on the basis of policy objectives. | No change. |
| Hotels | Paragraphs 3.6.1 – 3.6.3 of the CIL Viability Assessment 2012 considered whether rates should be applied to hotels but found that viability evidence did not support this. | No change |
| A blended single rate should be applied to all of Weston (two respondents), in part to reflect the sharing of infrastructure. | Noted. However development viability assessments for Weston Town Centre have shown that this area cannot support CIL charges. | No change. |
| **12. Which developments in North Somerset do you think would potentially benefit from discretionary relief if offered?** 12 comments | | |
| The following suggestions were made:<br>• Housing charities<br>• Voluntary/charitable organisations providing a priority service to NSC.<br>• Hospitals & related buildings (but not accommodation), hospices, CAB, NSPCC, sporting facilities including sports fields and registered charities. | These suggestions are already exempt from CIL via the mandatory charitable relief for charities developing for the direct delivery of their charitable purposes, or are proposed to be subject to a nil rate. | No change. |
| **13. Do you agree with North Somerset Council's intention not to allow discretionary charitable relief?** 15 comments | | |
| Five respondents supported NSC's position.<br><br>Five respondents felt that the option to give relief should be considered on a case-by-case basis, or in exceptional circumstances. | CIL requires that defined policies are set in advance and does not allow a case-by-case assessment of charges. | No change at the present time, but may be introduced in the future if there is agreed need. |

| Responses | NSC comments | Proposed changes |
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| Two respondents argued that discretionary charitable relief should be introduced, but in one case this was in relation to the direct delivery of charitable purposes, which is already exempt. | This aspect does not need to be part of the Charging Schedule process. NSC could choose to introduce a discretionary charitable relief policy at a later stage if it wished. | |
| **14. Which developments in North Somerset would potentially benefit from exceptional circumstances relief if offered?** 17 comments | | |
| Suggestions included:<br>• Commercial development in rural areas (two respondents).<br>• Community buildings (two respondents).<br>• Care homes, hospitals, schools, homeless shelters. | Most of these uses are already subject to £0 CIL rates or are exempt from CIL. | No change. |
| Bristol Airport: currently permitted development is already subject to S106 and should not become subject to CIL if circumstances change. If it became liable, then it might be eligible for Exceptional Circumstances Relief and this should be allowed to avoid double payment. | CIL regulations have been revised since the PDCS consultation so that is a variation to the planning took place, the development would only be liable insofar as it added new development area to the proposal.<br>Having reviewed the responses, NSC does not intend to introduce Exceptional Circumstances relief at the present time, but may do so in the future if it is felt appropriate.<br>The draft Regulation 123 List and Development Contributions SPD provide further guidance on how CIL and S106 will operate alongside each other. | No change at the present time, but may be introduced in the future if agreed to be appropriate. |
| Weston Villages developments: on the grounds that they will have high S106 obligations which could exceed the CIL (two respondents). | 5,150 of the 6,500 Weston Villages developments now have planning approval in place; the draft Regulation 123 List and Development Contributions SPD provide further guidance on how CIL and S106 will operate alongside each other. | No change at the present time, but may be introduced in the future if agreed to be appropriate. |
| **15. Do you agree with North Somerset Council's intention not to allow exceptional circumstances relief?** 15 comments. | | |
| Three respondents agreed with the proposal. | Support noted. | No change. |

| Responses | NSC comments | Proposed changes |
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| Each development should be considered on a case-by-case basis. | CIL requires that defined policies are set in advance and does not allow a case-by-case assessment of charges.<br><br>This aspect does not need to be part of the Charging Schedule process. NSC could choose to introduce a relief policy at a later stage if it wished. | No change at the present time, but may be introduced in the future if agreed to be appropriate. |
| Exceptional circumstances relief should be allowed for development which is covered by pre-existing S106 agreements, where a variation to the planning takes place. | CIL regulations have been revised since the PDCS consultation so that is a variation to the planning took place, the development would only be liable insofar as it added new development area to the proposal. | No change at the present time, but may be introduced in the future if agreed to be appropriate. |
| A more flexible approach for employment-generating projects must be considered. | Commercial developments other than retail are already subject to a zero CIL rate. | No change. |
| Further clarification of approach to the Weston Villages is needed. | 5,150 of the 6,500 Weston Villages developments now have planning approval in place; the draft Regulation 123 List and Development Contributions SPD provide further guidance on how CIL and S106 will operate alongside each other. | No change at the present time, but may be introduced in the future if agreed to be appropriate. |
| Community facilities should be allowed relief. | Community developments would in most cases be subject to a zero CIL rate. | No change. |
| The relief should be allowed / a lack of the relief may lead to stalled developments. | Having reviewed the responses, NSC does not intend to introduce Exceptional Circumstances relief at the present time, but may do so in the future if it is felt appropriate. | No change at the present time, but may be introduced in the future if agreed to be appropriate. |
| **16. Do you agree with North Somerset's proposal not to allow additional phasing of payments?** 18 comments. | | |
| Six respondents supported the proposal. Two respondents made no comments. | Noted. | No change. |
| 10 respondents expressed concerns or opposed the proposal. Reasons and suggestions included:<br>• The need for upfront payment adding to financing costs and rendering developments unviable. | In relation to the specific issues raised:<br>• It is NSC's understanding that phasing must be based on time-based triggers rather than relating to occupation. We are not aware of any authorities with phasing policies stretching over more than 24 months. | No change at the present time, but may be introduced in the future if agreed to be appropriate. |

| Responses | NSC comments | Proposed changes |
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| • Payments should be phased in line with triggers based on occupation – this was highlighted as a particular issue for care homes and rural diversification where developments may need to be fully completed before any units can be sold.<br>• Phasing should be agreed on a case-by-case basis in line with the circumstances of the case.<br>• For large sites, there may be phases subject to significant amounts of S106 (for example, the point at which a school is due). Phasing should be adjusted to allow for this and the necessary cashflow.<br>• Larger, long-term developments should be phased and adjustments made to rates if viability decreases.<br>• Two respondents gave no reason for their objection. | • Phasing policies must be set in advance and cannot be adjusted on a case-by-case basis.<br>• A key benefit of CIL is certainty for all parties. Downwards adjustments would not be in line with this principle (although may happen if there is a wholesale review of rates at a time of worsening viability).<br>• Most non-consented development proposed in the Site Allocations Plan is on small sites.<br><br>NSC is sympathetic to cashflow issues; however rates have been proposed to be within viability and the impact on developers needs to be balanced against the community's need for infrastructure.<br><br>This policy will be kept under review but at the current time it is proposed to continue with a position whereby no additional phasing of payments is introduced. | |
| **17. Do you agree that this table sets out an appropriate split between CIL & S106 funded infrastructure? Are there any changes you would propose?** | | |
| Responses received emphasising or requesting the inclusion of various infrastructure, as right. | • Off-site works related to specific sites (S106): near-site works are now included in the S106 category of the draft Regulation 123 List.<br>• Woodland and trees; allotments: these are covered in the definition of green infrastructure. Listing every type of green infrastructure would lead to a lengthy schedule and would run the risk of missing out some types.<br>• Banwell bypass; rail schemes: the draft Regulation 123 list refers to strategic transport | Updated Infrastructure Delivery Plan and Draft Regulation 123 list published for consultation alongside Draft Charging Schedule. |

| Responses | NSC comments | Proposed changes |
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| | schemes, which could include the Banwell bypass and/or rail schemes.<br>• Flood mitigation outside of Weston: the original schedule made reference to 'other flood defence schemes'. This continues in the draft Regulation 123 list and the Infrastructure Delivery Plan update 2016 also includes some additional non-Weston based flood and drainage requirements. | |
| Concern that CIL will go into a central pot and will not necessarily be used for infrastructure improvements arising from the development in question. A ring-fenced amount is needed for each development to be used on local infrastructure.<br>A share of the CIL should be made available to the local town or parish council in which the development takes place / as much as possible should be passed to local communities / amount should be 30%. | Town & Parish Councils will receive 15% of CIL income from development in their area or 25% if they have an adopted Neighbourhood Plan. These proportions are set nationally. | No change. |
| Infrastructure proposals need further detail and evidence, including around funding. | The IDP is by its nature a high-level summary of schemes. Further detail can be provided on request. | Updated Infrastructure Delivery Plan and Draft Regulation 123 list published for consultation alongside Draft Charging Schedule. |
| Transparency important, in particular to avoid double-charging of developers. Greater clarity needed in some of the definitions between S106 and CIL funded projects. | Agreed. The revised Regulation 123 list seeks to achieve this aim. | Updated Infrastructure Delivery Plan and Draft Regulation 123 list published for consultation alongside Draft Charging Schedule. |
| Noted that up to 5% may be spent on administrative costs; this may be excessive. | 5% is a maximum amount; it is hoped that less will be required (most areas report this to be the case). | No change. |

| Responses | NSC comments | Proposed changes |
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| Enough flexibility should be retained within the S106 process to allow viability to be maintained. | NSC is required to give consideration to viability when considering S106 requirements. | No change. |
| **18. Do you have any further comments on the proposals set out in this document?** 2 comments. | | |
| Ring-fenced amount needed for each development to serve local needs. | Town & Parish Councils will receive 15% of CIL income from development in their area or 25% if they have an adopted Neighbourhood Plan. These proportions are set nationally. | No change. |
| Importance of transparency. | Agreed. CIL regulations require NSC to publish details of income and expenditure on an annual basis. | No change. |

## b) Summary of detailed response from Savills on behalf of the House Builder Consortium Group

| Summary of response from Savills | NSC/DSP comments | Proposed changes |
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| More detailed information should be provided regarding the site typologies, in particular whether they are greenfield or brownfield sites. | The Council considers that the viability methodology, as used to provide robust evidence to inform and support CIL charging schedules on a number of occasions, is consistent with good practice and also with the approach advocated here. Whilst necessarily and appropriately conducted at high-level, and therefore typology based, the approach does consider the likely variation of scheme and host site types coming forward in North Somerset. | No change. |
| Assumptions of policy compliance in relation to affordable housing and S106 supported. | Support noted in terms of how relevant factors and principles have been considered. | No change. |
| Viability assessments provided by DSP do not support CIL charges on sites of more than 500 dwellings. Applying a rate would compromise delivery of the Core Strategy, which relies heavily on large sites at the Weston Villages. | The purpose of this range of sensitivity tests undertaken for the 2012 assessment was to provide the Council with full information from which to consider the potential implications and influences of affordable housing tenure mix, and the potential trade-offs between that, potential development mitigation and infrastructure requirements / capacity bearing in mind the emergence of affordable rented tenure in comparison with social rented affordable housing. Bearing in mind that a | No change. |

| Summary of response from Savills | NSC/DSP comments | Proposed changes |
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| | prospective charging authority does not have to exactly follow the viability evidence in isolation, and has to look at a wide range of factors in coming to the right balance locally, the charges considered for the strategic sites at the Weston Villages were appropriate.<br><br>Further to the 2012 work, as of June 2016 only two of the non-consented sites proposed to be allocated in the emerging Site Allocations Plan are greater than 500 units, one of which is in the nil CIL Weston Town Centre area. A further differential rate for a single site is not appropriate. | |
| DSP assume a profit level of 17.5% - 20% on GDV for open market housing. This should be increased to 25% profit on costs, equating to around 20% profit on GDV.<br><br>For strategic sites, profit assumptions should be split into two phases: (i) the promotion phase, which is long and risky. A profit level of 20 – 30% should be assumed on Return on Capital Employed (ROCE) / Internal Rate of Return (IRR) for this phase; (ii) the delivery phase: a level of 20 – 25% on GDV is required for the scheme to be attractive. | For the level of assessment appropriate to CIL charging considerations, and revisited subsequently in respect of the scale of relevant developments in the locality, the approach is considered to be appropriately reflective and is consistent with that supported for the purpose in other cases.<br>The approach advocated is not reflected in many site specific cases and general experience from dealing with larger scale site specific viability. Particularly with the improved development activity levels seen in North Somerset, together with the updated context on remaining development, the adequacy of the profit level assumptions is considered to remain applicable. | No change. |
| In addition to profit, a further ‘overhead’ amount of 7.5% of GDV should be allowed. | DSP advise that they would not expect to include a developer overhead in addition to the profit levels and other assumptions factored-in, and this is not considered to be a regular assumption. The assessment process also needs to be considered in the round, so that, for example, there are other areas of tolerance within appropriate high-level assumptions – including the use of average build costs data with no allowance then made for economies of scale that are often discussed in respect of larger scale housebuilding. | No change. |

| Summary of response from Savills | NSC/DSP comments | Proposed changes |
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| A professional fees allowance of 10% is appropriate for smaller-site typologies, but should increased for larger strategic sites. | Looking at the assessment in the round it is considered that the collective costs allowances are sufficient and appropriate overall. | No change. |
| The majority of the development typologies should reflect the economics of development on previously developed land and incorporate an allowance for non-standard development costs ('abnormals') such as demolition, abnormal foundation design, flood alleviation works, land stabilisation and remediation. | The approach of considering normal costs of development is entirely appropriate, consistent with national planning policy and adopted good practice at this level of review. | No change. |
| Viability assessments should include an assumption that development will achieve Code for Sustainable Homes Level 5. | Appropriate assumptions and tests were used and carried out at the time of the 2012 assessment; based on what was known at that point and consistent with good practice and with wide experience of undertaking this type of assessment. It would not have been or be appropriate to load the base assumption as appears to be suggested here.<br>Requirements in relation to sustainability have changed since 2012. Paragraphs 2.2.1 – 2.2.3 of the DSP Viability Review Update 2016 comment on this issue. | No change. |
| The allowance for residual S278 and S106 costs in the PDCS consultation is £6,000 for strategic sites and £1,000/dwelling for other sites. It is not clear how these figures have been derived and further evidence is required on this point. | Paragraph 2.4.12 of the DSP Viability Review Update 2016 comments on this issue: based on latest typical practice the allowance for residual costs has been increased to £3,000/dwelling. Whilst S106 requirements in parallel to a CIL are not certain to be at this level, this results in the inclusion of a significantly increased contingency allowance.<br>Evidence on the expected division of S106 and CIL is provided as part of the Draft Charging Schedule consultation. | No change. |
| No evidence is provided as to the projected sales rate or sales period over which a development is expected to be delivered; this will have an impact on viability. | For the smaller schemes, these assumptions are inherent in the allowances that have been made for the lead-in, development duration and therefore also the assumed finance cost allowances. For the 500 unit scenario tests, the HCA appraisal summary shows the market homes sales rate that | No change. |

| Summary of response from Savills | NSC/DSP comments | Proposed changes |
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| | results from the assumptions made, at 3.61 dwelling sales per month on average. | |
| It is not clear what evidence has been used to derive density assumptions. | The approach used is considered to be sufficient and appropriate for the high-level review purposes that are relevant in this context. | No change. |
| There is no explanation of the site coverage assumptions within the viability assessment; some elements appear to suggest 100% coverage, which is not possible and will distort findings. | The approach used was considered to be sufficient and appropriate for the high-level review purposes that are relevant in this context, whereby the assessment is primarily about review of the varying strength of relationship between development values and costs. | No change. |
| Benchmark Land Values are set too low. In Savills' experience greenfield land in North Somerset trades at considerably more than £250,000 - £500,000 per hectare. | Although much of the focus has now moved away from the relevance of larger sites, for the purpose and based on wider experience the assumptions were considered appropriate. As with the previous viability work, any updating will be considered on the premise that values do vary, hence a range of comparisons are used in DSPs assessments since a single level of land value cut-off does not reflect the variations that will be seen in practice. This again is an area that will typically be kept under review; considered dynamically as far as possible.<br>There are often misunderstandings about the basis for land value assumptions. Those used in the assessment for greenfield land assume a pre-planning non-serviced scenario; i.e. "raw" material view of land value, as might be received by a land owner based on a bulk land type option price with planning risk and all development costs factored-in/deducted to ensure that in construction the appraisal for this purpose there is no duplication of development costs. Although it may be expected that view on land values may vary, expectations will always need to be realistic bearing in mind the local market, planning policies, site characteristics and so on. This is | No change. |

| Summary of response from Savills | NSC/DSP comments | Proposed changes |
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| | a typical and appropriate approach for the assessment purpose. | |
| Sales values appear to be based on asking prices rather than actual prices. | In accordance with well-established practice for a high-level rather than site-specific viability assessment, a range of sources is appropriately used including existing values patterns, local new builds, a range of market reporting and so forth. Necessarily judgements are made, based on how the picture from the wide-ranging research and sources comes together, with potential deduction from marketing price considered amongst the many factors that inform the assumption range, It is also worth noting the range of sensitivity testing undertaken. | |
| A phasing policy is essential to avoid an undue impact on viability. Requiring the full CIL charge upfront would add significantly to the finance burden for a developer, particularly on larger scale developments. | Legislation and the National Planning Policy Guidance on the CIL are clear that phasing policies are optional. Payments on large sites will in most cases be phased through Reserved Matters applications. Further phasing would add to the complexity and administrative costs of the CIL and adds to delays in delivering infrastructure. This matter will be kept under review and may be changed in the future if it is felt necessary. | |