

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
15 April 2014

**Subject: COMMUNITY INFRASTRUCTURE LEVY – DRAFT CHARGING SCHEDULE:
CONSULTATION AND SUBMISSION**

**All Wards outside the North York Moors National Park
Portfolio Holder for Housing, Planning and Waste Management: Councillor B Phillips**

1.0 PURPOSE AND BACKGROUND:

1.1 This report considers the responses received during public consultation on the Community Infrastructure Levy (CIL) Draft Charging Schedule and seeks approval to submit the Schedule for public examination.

1.2 The consultation period for the CIL Draft Charging Schedule ran for six weeks from 24 January to 7 March 2014 and 12 responses were received during that period. The main issues raised are summarised below and set out in more detail in Annex A, together with the proposed responses from the Council:

- the assumptions and viability assessments undertaken are challenged
- agricultural workers dwellings should be exempt from the residential CIL charge
- the residential charge remains too high
- the charge differentiation for retail development is inappropriate
- separate viability assessment should be undertaken for retirement housing
- CIL should not apply to extra care housing due to its already challenging financial model
- the base rate charge on employment uses is inappropriate
- concerns about CIL receipts that are raised in one part of the District contributing to infrastructure schemes elsewhere in the District.
- further consideration of an instalments policy in terms of releasing CIL receipts to deliver infrastructure in a timely manner.

1.3 Once the Draft Charging Schedule is submitted, the above issues will be considered by an Inspector at the public examination and will form the subject matter for the hearings along with any matters the inspector wishes to consider. From the responses received, both at this stage and the previous Preliminary Draft stage, some minor modifications to the Draft Charging Schedule are necessary prior to submission. The modifications proposed are:

- i. reduce the £10 per square metre base charge for all other development to £0 for reasons of viability;
- ii. make the CIL liability on apartments in the residential rate clear in the submission charging schedule – in that apartments will be charged under the ‘all other chargeable development’ rate; and.
- iii. refine and clarify the retail definitions in the charging schedule for clarity prior to submission.

- 1.4 These modifications should be published for a period of four weeks in a Statement of Modifications (Annex B). Comments raised will be sought from statutory consultees and parties who have previously made representations on the Charging Schedule. Such consultation forms part of the examination process and therefore will be undertaken from the date of submission of the Draft Charging Schedule. All responses received on the issues will be passed to the examiner for consideration.
- 1.5 On this basis, it is proposed that the CIL Draft Charging Schedule, the proposed Statement of Modifications, supporting evidence and background papers are submitted for public examination with a view to adoption later this year.

2.0 LINK TO COUNCIL PRIORITIES:

- 2.1 CIL will help fund infrastructure necessary to support housing and employment development and strategic recreation facilities which are Council priorities.

3.0 RISK ASSESSMENT:

- 3.1 There are no significant risks associated with approving the recommendations of this report.
- 3.2 Risks in not approving the recommendations:

Risk	Implication	Prob*	Imp*	Total	Preventative action
The introduction of changes to the CIL Regulations by Government (Feb 2014) will apply if the Draft Charging Schedule is not submitted at this stage, including, changes to the evidence required.	Should the DCS not go forward, the Council may be required to return to the Preliminary Draft Charging Schedule stage in order to meet new requirements, thus causing delay, further costs to the Council and potential CIL receipts lost.	4	4	16	Submit the Charging Schedule for examination.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

- 3.3 Overall, the risks related to not agreeing with the recommendations outweigh the risks of agreeing them. Therefore, the risks associated with agreeing the recommendations are considered acceptable.

4.0 FINANCIAL IMPLICATIONS:

- 4.1 The timescale for delivery of the CIL Charging Schedule has slipped but this will not have any significant impact on the costs of delivering the Charging Schedule other than officer time and resource.
- 4.2 Any further revisions to the proposed CIL rates will reduce the anticipated CIL receipts during the plan period and other sources of funding will be required to fill the funding gap.
- 4.3 The Council will need to meet the costs of the Public Examination which is now estimated to be approximately £15-20,000 following recent discussions with the Planning Inspectorate. This is provided for in the CIL project budget for 2014/15.

5.0 LEGAL IMPLICATIONS:

- 5.1 The Council will need to follow the CIL Regulations (2010) as amended to ensure that the proper legal procedures have been adhered to in developing the Charging Schedule. This includes the publication of the proposed Statement of Modifications referred to above. This will be tested at the public examination.
- 5.2 The arrangements for receiving and managing contributions may require legal mechanisms between the Council and delivery partners such as the local highways authority, NYCC Children and Young People's Services and other relevant parties. This should not be difficult to accomplish but will need to be agreed and in place prior to the CIL Charging Schedule being adopted.

6.0 EQUALITY/DIVERSITY ISSUES:

- 6.1 There are none.

7.0 HEALTH AND SAFETY ISSUES:

- 7.1 There are none.

8.0 RECOMMENDATION:

- 8.1 It is recommended that:

- (1) the responses to consultation on the CIL Draft Charging Schedule be agreed;
- (2) the proposed Statement of Modifications be agreed and published for comments; and
- (3) the modified Charging Schedule as set out in this report be submitted for examination.

MICK JEWITT

Background papers: CIL Draft Charging Schedule
CIL Viability – Addendum Report (Nov 2013) (Peter Brett Associates)
CIL Viability Technical Note (Nov 2013) (Peter Brett Associates)
Infrastructure Delivery Plan
Infrastructure Funding Gap analysis note
Projected CIL Receipts analysis
Evidence of revenue through historic Section 106 agreements
Draft Regulation 123 List
Draft Instalments Policy
CIL Exceptional Circumstances Relief Policy
CIL Exemptions Policy

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Planning Policy & Design Officer
Direct Line: 01609 767055

Summary of Responses: Draft CIL Charging Schedule Consultation (January – March 2014)

Respondent	Reference	Comment	Response
Mr A McKee	DCS/HDC/001	No comment to make at this time.	Noted.
Sarah Housden: North York Moors National Park	DCS/HDC/002	NYMNP does not wish to make any comment.	Noted.
Claire Armitage: Easingwold Town Council	DCS/HDC/003	The council are concerned that monies from CIL will go towards the North Northallerton link road. The Council wish to see some of the funds go towards nursery, primary and senior school facility provision in Easingwold due to the significant number of new properties in the area.	The nature of CIL is that contributions are pooled to deliver strategic infrastructure across the District. The CIL makes provision for a proportion (15%) of CIL receipts raised in a particular community to be passed to the local town or parish council to spend on locally identified infrastructure related to development growth.
North Yorkshire County Council	DCS/HDC/004	<p>North Yorkshire County Council (NYCC) welcomes the establishment of a CIL regime across Hambleton District to assist with the delivery of essential infrastructure, and acknowledges that the work undertaken to date to underpin its establishment identifies a sizeable funding gap necessary for the introduction of the levy. The methodology and assumptions used in the Economic Viability Assessment and Addendum Report are supported.</p> <p>The County Council is satisfied that the proposed CIL rates for residential development are appropriate, i.e. set at a level whereby viability is not jeopardised by the rate being too close to the theoretical minimum. Indeed, the County Council feels that, rather than seeking to maximise its potential CIL receipt, the District Council has erred towards ensuring that the levy rate set does not undermine the viability of development. Finally, following-up previous discussions with the District Council, the County Council would stress the importance of not applying CIL charging to the County Council's Extra Care Housing programme developed in partnership with its District and Borough Council partners, even on units for outright sale, as the financial modelling for such schemes is challenging even without the additional CIL constraints. To this end, the application of CIL to private market housing only is welcomed and supported.</p> <p>The County Council supports the proposal to charge a £10 base rate on all other chargeable development. However it is noted that this is not to be applied to agricultural buildings which may be a lost opportunity to generate much needed funds to support the provision of essential infrastructure to support development and growth.</p> <p>The County Council strongly urges that detailed discussions take place between our two authorities prior to the adoption of an Instalments Policy. Whilst the County Council accepts that the Regulations allow for the District Council to introduce such an approach, it is very much the case that essential (and sometimes sizeable) pieces of infrastructure are required to be provided up-front or in the early stages of developments. The County Council would be concerned if the payment of CIL by instalments delayed the receipt of funds for the infrastructure that it is required to provide. This could result in higher borrowing costs and risks being taken on by NYCC at a time of significant budgetary pressures. Indeed it could even result in it not being possible to deliver vital infrastructure and therefore prevent development from commencing. As a result of such a Policy</p>	<p>Noted.</p> <p>Applying CIL to Extra Care developments must be determined on appropriate viability assessment of the financial modelling for such schemes.</p> <p>Where this is considered to be unviable, the Council will consider an exemption of CIL.</p> <p>The Council is reducing the £10 base charge rate to £0 for reasons of a lack of evidence that such developments will have viability.</p> <p>Regarding the charging of CIL on non-residential agricultural buildings the evidence presented on viability suggests that CIL will make the majority of such development unviable.</p> <p>The Council will be working with NYCC and others to consider the issues relating to the development of the Instalments Policy – particularly where funds are required in the early stages of development to deliver the</p>

Respondent	Reference	Comment	Response
<p>Daniel Gath: Daniel Gath Homes</p>	<p>DCS/HDC/005</p>	<p>the County Council would seek to recover directly a substantial part of the additional costs arising.</p> <p>The County Council has welcomed the opportunity to have positive and on-going discussions and joint working on the establishment of the Regulation 123 List throughout the process leading up to, and including, the preparation of Hambleton District Council's Draft Charging Schedule. The County Council is therefore able to confirm that it is satisfied with the proposed Regulation 123 List as published. Whilst having our own views about the relative priority of projects on the proposed List, we look forward to on-going collaborative discussions with the District Council in relation to the prioritisation, implementation, and future review of the Regulation 123 List. On a point of detail however, the County Council would however request that the wording in the 'Road Network and Transport, District-wide' row is changed to read: 'Junction Improvements required to mitigate the cumulative impact of housing and employment allocations.' The County Council welcomes the District Council's suggestion at paragraph 29 of the Draft Charging Schedule to review the Regulation 123 List on an annual basis.</p> <p>The County Council welcomes the fact that Hambleton District Council has progressed the establishment of a CIL charging mechanism, and has engaged the County Council proactively and positively in assessing infrastructure needs in the lead-up to this consultation. Local Authority budgetary challenges are such that the funding and delivery of key pieces of infrastructure to support growth and development is becoming increasingly difficult. CIL therefore represents an important source to contribute towards this vital purpose. The County Council agrees with the evidence identifying the scale of the infrastructure funding gap facing the District Council and recognises that it is necessary that this is overcome if development and growth is to be fully enabled across the District. CIL is necessary in contributing towards addressing this need. However the County Council is mindful that Regulations now require that at least 15% of CIL income is passed to local communities (Parish Councils), with this proportion rising to 25% where a Neighbourhood Plan is in place. Whilst local communities may choose to put their receipts towards supporting the provision of infrastructure, this cannot be guaranteed or assumed. If they choose not to do then this would of course further exacerbate the delivery challenge. The County Council looks forward to on-going collaboration with the District Council in assessing infrastructure needs to meet development. As part of this, and to further demonstrate effective collaborative working, the two authorities have commenced the joint preparation of an Infrastructure Delivery Statement (IDS) in order to maximise opportunities for unlocking and facilitating the planned growth and development that our communities and economy need. The IDS would also aim to reach solutions for meeting the shortfall on infrastructure items needing to be financed outside of the CIL regime. Meanwhile we would be pleased to attend the CIL Examination should that be deemed useful in support of the mechanism, and to clarify any comments made in this response.</p> <p>Whilst I support the rate for new out of town development, I think new retail premises within the District's towns should be encouraged with a significantly reduced rate.</p> <p>If all other development includes new development then it is ridiculous to charge a potential employer for setting up in the region.</p> <p>If we are serious about localism then 25% to local areas affected by development appears derisory.</p>	<p>necessary infrastructure. The proposed Instalments Policy is intended to be one which can be applied at the Council's discretion, where appropriate.</p> <p>The Council will continue its good working relationship with NYCC on the delivery of CIL including aligning its infrastructure priorities with NYCC's and other partners, where possible.</p> <p>Comment on the wording of an entry on the Regulation 123 list is agreed and will be amended.</p> <p>Noted. However, the viability evidence for retail suggests that CIL should only be charged at the rates set out on the types identified in the proposed charging schedule so as not to adversely jeopardise development in terms of its commercial viability.</p> <p>The proportion of CIL receipts to be passed to local communities is set by Government. A balance needs to be struck between delivering the necessary strategic infrastructure for</p>

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<p>Nicola Gooch: Thomas Eggar LLP o.b.o. Asda Stores Ltd</p>	<p>DCS/HDC/006</p>	<p>Letter submitted: Issues raised relate to:</p> <ul style="list-style-type: none"> i. The financial assumptions and viability assessments contained in the Council's Addendum Report ii. State Aid implications iii. Concerns relating to the sub-division of Retail Use Classes iv. Recent DCLG CIL Consultation. <p>For the reasons set out in the submitted letter, Asda Stores Ltd asks that the Council undertakes a rethink of its position and substantially alters its Charging Schedule in so far as it relates to retail development.</p>	<p>the District's development growth and making provision for funding for local communities to spend on locally identified schemes.</p> <p>Noted.</p> <p>The assumptions and viability assessments undertaken to support the proposed CIL Charging Schedule are considered to be appropriate and reasonable.</p> <p>The Council also considers that its approach to retail development and the charging of CIL meets the requirements of the CIL Regulations.</p>

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<p>Jane Harrison: Country Land & Business Association</p>	<p>DCS/HDC/007</p>	<p>I am pleased that the rate for agricultural related developments has now been set at £0 per sq m.</p> <p>I am concerned with the levy proposed for Residential Development. The Viability Assessment (produced by Peter Brett Associates) has failed to consider that there are a number of situations where new rural dwellings are required to accommodate those employed in agriculture, horticulture, forestry and other rural businesses. Such properties are not sold for development gain and are usually restricted by some form of occupancy condition. Indeed, in some cases a new dwelling will allow a family business to plan succession by providing accommodation for the next generation. In such cases, a charge of £65 per sq m would simply be an additional cost of construction and is likely to render many such projects unviable. As these properties are crucial to the operation of rural businesses and sustainable rural communities, I ask that they be considered separately, based on a suitable viability assessment, or classified with affordable housing for CIL purposes. Our view is that CIL should not apply to these dwellings.</p> <p>I disagree with your comments made on page 20 in the Schedule of Consultation Responses (to the Preliminary Draft Charging Schedule) that <i>"it is not possible to exempt agricultural workers dwellings from CIL. Rates may only vary by zone (?) or by different intended uses of buildings..."</i></p> <p>Councils are taking notice of comments received on publication of their Preliminary Draft Charging Schedules. Where there has been a proposal to charge a levy on agricultural/rural workers dwellings on the publication of the Draft Charging Schedule it has been reduced to £0 per sq m. Indeed, recently West Lancashire BC have made modifications to their Draft Charging Schedule as follows:</p> <p>6. <i>The Council and the Council's viability consultants have given this issue further consideration and evidence of this is set out in Appendix A to this report. The Council has modified the DCS to include an additional category to exempt agricultural workers dwellings, in line with the evidence at Appendix A. The DCS will now read as follows:</i></p> <table border="1" data-bbox="916 582 1177 1675"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Proposed CIL Rate (£ per square metre)</th> </tr> <tr> <th>Zone A</th> <th>Zone B</th> </tr> </thead> <tbody> <tr> <td>Residential dwelling house</td> <td>£85</td> <td>Nil</td> </tr> <tr> <td>Apartments (including retirement apartments)</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Agricultural Workers dwellings</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Retail – Comparison</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Retail – Convenience</td> <td>£160</td> <td>Nil</td> </tr> <tr> <td>Food and Drink (A3/A4)</td> <td>£90</td> <td>Nil</td> </tr> <tr> <td>All other uses</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>I enclose a copy of the West Lancashire CIL Draft Charging Schedule – Statement of Modifications.</p> <p>Other Councils who are recommending a Nil CIL rate for rural workers dwellings are Shropshire, West Dorset and Weymouth & Portland Borough Councils.</p> <p>There are very few projects identified within the Infrastructure Delivery Plan (or the Regulation 123 list) which could be considered as specifically Green Infrastructure (GI). It is vital that the issue of GI does not get lost or side-lined as being too complex or difficult to accurately quantify. Examples of the types of GI schemes which could be provided through CIL are provided with the submission to inform the Council of what could be included.</p>		Proposed CIL Rate (£ per square metre)		Zone A	Zone B	Residential dwelling house	£85	Nil	Apartments (including retirement apartments)	Nil	Nil	Agricultural Workers dwellings	Nil	Nil	Retail – Comparison	Nil	Nil	Retail – Convenience	£160	Nil	Food and Drink (A3/A4)	£90	Nil	All other uses	Nil	Nil	<p>Noted.</p> <p>The Council considers there to be no mechanism in the CIL Regulations to vary charges for agricultural workers dwellings as opposed to standard residential development. There is not a difference in use of the buildings, by value zone or by scale and as such a differentiated charge is not possible.</p>
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<p>Sara Robin: Yorkshire Wildlife Trust</p>	<p>DCS/HDC/008</p>	<p>I enclose a copy of the West Lancashire CIL Draft Charging Schedule – Statement of Modifications.</p> <p>Other Councils who are recommending a Nil CIL rate for rural workers dwellings are Shropshire, West Dorset and Weymouth & Portland Borough Councils.</p> <p>There are very few projects identified within the Infrastructure Delivery Plan (or the Regulation 123 list) which could be considered as specifically Green Infrastructure (GI). It is vital that the issue of GI does not get lost or side-lined as being too complex or difficult to accurately quantify. Examples of the types of GI schemes which could be provided through CIL are provided with the submission to inform the Council of what could be included.</p>	<p>Noted. GI schemes will be explored. Where considered appropriate and necessary these will be included in the Infrastructure Delivery Plan and possibly on the Reg 123 list.</p>																										

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<p>Matthew Spilsbury:Turley Associates o.b.o. Sainsbury's Supermarkets Ltd (SSL)</p>	<p>DCS/HDC/009</p>	<p>The Draft Charging Schedule proposes a revised levy rate of £100 per sqm for 'supermarkets'. It is therefore assumed that all other convenience retail use development will fall within the proposed based charge of £10 per sqm as 'all other chargeable development'. CIL Regulation 13 permits charging authorities to set differential rates both by intended use and by scale. The CIL Guidance (February 2014) specifies that differential rates set by scale must be set by reference to floor area or number of dwellings. Crucially, differential rates must be justified by reference to economic viability. Critically, the size threshold for when a development constitutes a 'supermarket' is absent and the descriptions / definitions included within the Draft Charging Schedule remain imprecise and open to subjectivity. This raises the risk of the Council incurring challenges on state aid grounds if planning applications can be shown to have been dealt with inconsistently when CIL liability is calculated. Moreover, no locally specific evidence has been used to test and justify the differential rate and threshold between 'supermarkets' and convenience retail (assumed classified under 'all other chargeable development'). The Hambleton CIL Addendum Report (December 2013) assumes that the single appraisal for 'supermarkets' is representative of the market across the entire charging area. This is not considered 'fine-grained' viability evidence. SSL would request that the Council provides evidence to demonstrate the appropriate balance has been set in establishing the point at which a development becomes a 'supermarket' and incurs the proposed CIL liability of £110 per sqm, as opposed to falling within the 'all other chargeable development' rate of £10 per sqm. Evidence should also be presented to justify the decision for this threshold and appropriate robust definitions put in place. This is considered necessary by SSL to ensure that CIL charging is applied consistently by the Council when considering all applications. Until a sensible threshold is applied and the underpinning evidence prepared and consulted upon it is not possible for SSL, other representatives, or the Examiner to come to a decision as to whether the Council has struck an appropriate balance between the desirability of funding infrastructure through CIL and the impact upon development viability for these uses.</p> <p>SSL fundamentally disagrees with the proposed base charge of £10 per sqm for all other chargeable developments. Table 3.5 on page 10 of the Hambleton CIL Addendum Report (December 2013) demonstrates both office and industrial uses to be unviable in current market conditions prior to introducing a CIL liability. This is reinforced by statements in paragraphs 3.6.2 – 3.6.3 on page 13 of the same document SSL wishes to draw the Council's attention to the Examiner's Report to Trafford Council (PINS/Q4245/429/2) following examination of the Trafford CIL draft Charging Schedule - dated 31st January 2014. Within paragraph 38 the Examiner expresses the clear view that introduction of a base charge on development cannot be introduced where the Council's own evidence base demonstrates that the uses are unviable either without or with a CIL charge in the current market – irrespective of the 'scale' of impact. Reference is also made to paragraph 8 of the CIL Guidance (2013), and confirms that an approach that has a potentially negative economic effect is inappropriate. The relevant paragraph is presented below for the Council's reference: 'I must give greater weight to the fact that CIL examination is an evidence based process and charges cannot, in my view, be imposed where the Council's own evidence base indicates that developments are not viable. I have noted carefully the demonstration that the amount would be small but that is not the point; imposing any charge on development that has been demonstrated to be unviable, can only serve to lessen viability further. I am also mindful of paragraph 8 of the CIL Guidance (2013) which sets out the expectation that the levy will have a 'positive economic effect' and I do not consider that the Council's evidence demonstrates that the base charge, for employment development types, will achieve this. To justify such charges, the Council would need to present clear 'real world' evidence that there was a case for departing from the methodology and viability benchmarks that it has set, and which have formed the basis of its EVS. It has not done so. For these reasons, I recommend that the base charge is reduced to basis of its EVS. It has not done so. For these reasons, I recommend that the base charge is reduced to a nil charge for 'offices' and 'industry and</p>	<p>Noted.</p> <p>The Council is reducing the base charge rate for all other development from £10 to £0 in acknowledgement of the viability issues raised by respondents.</p> <p>The Council considers that its proposed Instalments Policy is fair and reasonable and also that the Council can exercise its discretion on its application.</p> <p>The Council is considering a further clarification on its definitions of types of retail development liable for CIL. This will be set out in the Statement of Modifications which will be submitted with the Draft Charging Schedule for examination.</p> <p>Under transitional arrangements, charging authorities who have published their Draft Charging Schedule prior to the publication of the 2014 CIL Regulations will be assessed on the 2013 CIL Regulations and Guidance.</p>

Respondent	Reference	Comment	Response
		<p>warehousing'. SSL therefore advocates that the Council removes the base rate of £10 per sqm and, in a consistent manner with the CIL Regulations 2010 (as amended), the CIL Guidance (2013) and CIL Guidance (2014), introduces a nil CIL rate for all other chargeable development.</p> <p>SSL agrees with the £0 rate for the uses specified in the DCS and wishes to make no further comment.</p> <p>SSL welcomes the Council's decision to introduce a CIL Instalments Policy. The ability to pay CIL liability by instalments is important for development cash flow, and is therefore supported by SSL and the wider development industry. SSL would request that the Council considers introducing several further instalments where the chargeable amount is £50,000 - £250,000 (b – within the proposed policy). Based on the proposed rates, a significant volume of 'residential' development and retail 'supermarket' development could fall within this instalment band. Given the likelihood that construction will extend over the 270 days from commencement, this would be likely to trigger payment of full liability prior to completion (or even significant delivery) on many schemes. Hence this may not assist cash flow as is the intention. It is therefore requested that b) is amended to reflect the 4 instalment approach proposed in c). This should give scope to assist the cash flow, and viability, of a greater proportion of development proposals.</p> <p>SSL does support the principle of the Council's decision to offer discretionary relief in exceptional circumstances. Use of an exceptions policy enables charging authorities to avoid rendering sites with specific and exceptional cost burdens unviable. However, SSL cannot support the proposal to offer relief in the circumstances cited within paragraph 9 of the Draft Charging Schedule consultation document. The Council should be aware of the changes to the CIL Regulations governing relief in exceptional circumstances and other relevant matters as stipulated within the CIL (Amendment) Regulations 2014. As these have now come into force it will be necessary for the Council to take any regulatory amendments into account in preparing the CIL Draft Charging Schedule for submission to the Examiner. As a result, this will require paragraph 9 of the CIL Draft Charging Schedule to be re-written to be in accordance with CIL Regulation 55 (as amended) and to reflect the CIL Guidance (February 2014).</p> <p>There appears to be a logical approach taken to the methodology and assumptions used.</p>	
<p>Bob Sharples: Sport England</p>	<p>DCS/HDC/010</p>	<p>Agriculture is a business and therefore CIL should be applied.</p> <p>It is important that the council has a robust evidence base for seeking CIL contributions for sporting infrastructure i.e. playing pitches, changing rooms, pools, sports hall and the like. This evidence base will need to be kept up to date.</p> <p>Disappointed that here is a lack of sports facilities listed, but that may be because Hambleton has robust up to date strategies which do not indicate any short fall in provision.</p> <p>It is considered that the reports and viability evidence provided lack sufficient detail for interested parties to reach full and meaningful conclusions on the appropriateness of the viability assumptions outlined.</p> <p>There are also concerns raised in relation to the following topic areas and assumptions made in assessing viability:</p> <ul style="list-style-type: none"> - Land Acquisition Cost - Case Study Appraisal Assumptions, Density and Mix - Other Development Costs Assumptions - Marketing and Disposal Costs 	<p>Noted.</p> <p>The Regulation 123 list identifies Sport and Recreation facilities at North Northallerton, Northallerton Town Park and also several footpath and cycleway schemes which are to benefit from CIL. This will be reviewed regularly and amended as needs change over time.</p> <p>Noted.</p> <p>The assumptions and viability assessments undertaken to support the proposed CIL Charging Schedule are considered to be appropriate and reasonable.</p>
<p>Richard Heathcote: GL Hearn o.b.o. Gladman Developments</p>	<p>DCS/HDC/011</p>		

Respondent	Reference	Comment	Response
<p>Ziyad Thomas: The Planning Bureau o.b.o. McCarthy & Stone and Churchill Retirement Living</p>	<p>DCS/HDC/012</p>	<ul style="list-style-type: none"> - Discount from Marketing Prices - Development Period - Development Margin - Build Costs - External Works - Code for Sustainable Homes - Contingency - Bank Funding Costs <p>We would recommend that the residential appraisal summaries are revisited to take into account the issues raised and made available as soon as possible so that all interested parties can fully consider the revised methodology that has been applied. At present, we must conclude that the proposed CIL levy is set too high. The consequence of too high a CIL levy would be to adversely affect housing delivery rates throughout the Hambleton Council area.</p> <p>Joint representation to set out the case for housing for the elderly to be assessed for viability separately from other types of development. Given the extensive evidence now available in relation to this type of development, it is important that the imposition of CIL does not constrain land supply for such development.</p> <p>Further viability work on this type of development should be undertaken to inform the imposition of CIL and the Draft Charging Schedule should be amended accordingly.</p> <p>It is a requirement of the CIL Regulations that the imposition of CIL does not prejudice the delivery of the development plan. For this reason alone, it is of the utmost importance that charging authorities consider this form of housing when drafting charging schedules. Retirement housing brings with it many environmental, economic and social benefits. These attributes further embed the notion that retirement housing is a distinct housing market type deserving of special consideration within the Development Plan.</p>	<p>The Council is happy to clarify the definitions of residential development where the CIL Charge applies.</p> <p>Clarifications will be set out in the Statement of Modifications which will be submitted with the Draft Charging Schedule for examination. This will identify that apartments (including retirement development) will be exempt from the CIL residential charge rate and the base rate will apply.</p> <p>However, the Council is to reduce the base rate to £0.</p>

Hambleton Community Infrastructure Levy (CIL) Proposed Statement of Modifications to the Draft Charging Schedule

1. INTRODUCTION

1.1 Under the provisions of Regulation 16 of the CIL Regulations 2010 (as amended) ('the Regulations'), the Council is able to modify the CIL Draft Charging Schedule following Publication and consultation. Where changes are proposed, the Council is required to produce a statement of modification, inform consultation bodies invited to make representations on the charging schedule, and provide an opportunity to request a right to be heard by the examiner in relation to these proposed changes. .

Modifications to Draft Charging Schedule

1.2 This Statement of Modifications sets out the modifications which have been made to the Hambleton CIL Draft Charging Schedule since it was published for consultation between 24th January and 7th March 2014. The Council received representations from 12 respondents to the CIL Draft Charging Schedule within the consultation period.

Publication

1.3 As required under Regulation 19 of the Regulations, a copy of this Statement of Modifications has been sent to each of the persons that were invited to make representations under Regulation 15 and published on the Council's website at: www.hambleton.gov.uk/cil

1.4 The Statement of Modifications will also be made available at the Council's offices and in libraries across the District for inspection during business hours.

Requests to be heard

1.5 Any person may request to be heard by the Draft Charging Schedule's examiner in relation to the modification. This right to be heard applies only in relation to the modifications made as set out in the Statement of Modifications. Any request to be heard by the examiner in relation to these issues must be:

- a. Submitted to Hambleton District Council in writing before the end of the period of four weeks beginning with the day **XXXXXX [date]** on which the Draft Charging Schedule is submitted to the examiner in accordance with Regulation 19(1) i.e. before 4pm on **XXXXXX [date]**; and
- b. Include details of the modifications (by reference to this statement of modifications) on which the person wishes to be heard.

1.6 Persons requesting to be heard should indicate whether they support or oppose the modifications and explain why.

1.7 In accordance with the Regulations, a copy of each request to be heard in relation to these modifications will be forwarded to the examiner. Requests to be heard may be withdrawn at any time before the opening of the Examination hearings by giving notice in writing to Hambleton District Council.

1.8 A request to be heard by the examiner to these modifications must be made in writing by post or email to:

CIL DCS (SoM) - Planning Policy
Hambleton District Council
Civic Centre
Stone Cross
Northallerton
North Yorkshire
DL6 2UU

Email: cil@hambleton.gov.uk

2. PROPOSED MODIFICATIONS

Reduction of CIL Base Charge Rate from £10 to £0

- 2.1 As a result of a submission from Turley Associates on behalf of Sainsbury's Stores Limited (SSL) (rep: DCS/HDC/009), the Council has given further consideration to the proposed base charge rate for all other development.
- 2.2 Within the DCS which was subject to consultation, it was proposed that a £10 base charge rate be applied to 'all other chargeable development' (i.e. that which was liable for CIL but which was not already identified in the Charging Schedule).
- 2.3 Turley Associates expressed concern regarding such a rate in particular relation to retail development but also pointed to other uses being identified as unviable (i.e. office, industrial use). Although, in the Council's view, such payment of CIL represents only a small element of development costs to a developer, in order to promote and support economic growth in these sectors, the Council has reduced the base charge rate to £0.
- 2.4 In addition, a minor amendment has been made to paragraph 22 of the DCS to reflect the above change.

Clarification on CIL Liability for Apartment Developments

- 2.5 Submissions from North Yorkshire County Council (DCS/HDC/003) and The Planning Bureau (DCS/HDC/012) seek exemptions from CIL on extra care and retirement living development respectively. The Council has clarified its position on apartment developments (which include these types of development) and their CIL liability.
- 2.6 A slight inconsistency was identified between the Addendum Report provided by Peter Brett Associates and the Draft Charging Schedule regarding whether apartments would be charged the residential rate for CIL or the base charge rate. The Addendum Report refers to the residential CIL rate applying to 'private market houses' (i.e. excluding apartments) and the DCS refers to 'new residential development' (i.e. including apartments) although identifies private market housing specifically. The Council's intention was for apartment development, including retirement living and extra care facilities to be included in the base charge rate category, thus a rate of £0 is applicable.

Clarification on Retail Development Definitions

- 2.7 In response to the submission from Turley Associates (DCS/HDC/009), where reference is made to an absence within the draft charging schedule of a size threshold for supermarkets and clarification on the definition of retail developments sought, the Council now provides a size threshold for supermarkets and revised definitions for the relevant retail developments within the Charging Schedule. These are proposed as follows:

- I. Retail Warehouses:** *Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.*
- II. Supermarket:** *Supermarkets are large convenience-led stores where the majority of custom is from people doing their main weekly food shop. As such, they provide a very wide range of convenience goods, often along with some element of comparison goods. In addition to this, the key characteristics of the way a supermarket is used include:*
 - *The area used for the sale of goods will generally be above 500 sq. m.*
 - *The majority of customers will use a trolley to gather a large number of products;*
 - *The majority of customers will access the store by car, using the large adjacent car parks provided; and*
 - *Servicing is undertaken via a dedicated service area, rather than from the street.*

2.8 As a result of the amendments set out above, the DCS will now read as follows:

Development Uses	Levy Rate (per sq m)
Private Market Housing (excluding apartments)	£65
Retail Warehouses ¹	£40
Supermarkets ²	£100
Public/Institutional Facilities as follows: education, health, community and emergency services	£0
Agricultural related developments*	£0
All Other Chargeable Development ³	£0

See footnotes at bottom of page

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¹ Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.

² Supermarkets are large convenience-led stores where the majority of custom is from people doing their main weekly food shop. As such, they provide a very wide range of convenience goods, often along with some element of comparison goods. In addition to this, the key characteristics of the way a supermarket is used include: the area used for the sale of goods will generally be above 500 sq. m; the majority of customers will use a trolley to gather a large number of products; the majority of customers will access the store by car, using the large adjacent car parks provided; and servicing is undertaken via a dedicated service area, rather than from the street.

³ This means all other chargeable development as identified in Regulations and Guidance – industrial, office etc.

* Agricultural related developments excludes agricultural workers dwellings. These are covered by the residential charge.

3. SCHEDULE OF PROPOSED MODIFICATIONS

The table below sets out the proposed modifications to be made to the CIL Draft Charging Schedule following examination:

PROPOSED MODIFICATIONS			
Reference:	Draft Charging Schedule – published January 2014	Proposed modification following examination	Reason for modification
Paragraph 22	A low base rate (£10 per square metre) will be charged on all other chargeable development with the exception of public institutions / facilities (e.g. education, health, community and emergency services) and also on agricultural-related buildings.	A low base rate (£0 per square metre) will be charged on 'all other chargeable development'. with the exception of Public institutions / facilities (e.g. education, health, community and emergency services) and agricultural-related buildings (excluding agricultural dwellings) will also have a £0 rate.	There is currently little evidence to suggest that the viability of such developments likely to fall within this category is sufficient to support any CIL charge.
Appendix A: Rates Table	New Residential Development (Private Market Housing)	New Residential Development (Private Market Housing)	To clarify CIL liability for apartments and align the terminology within the CIL Addendum Report and the Draft Charging Schedule.
Appendix A: Rates Chargeable Development	£10	Private Market Housing (excluding apartments) £10 £0	There is currently little evidence to suggest that the viability of such developments likely to fall within this category is sufficient to support any CIL charge.
Appendix A: Explanatory Footnotes	<p>1 Retail warehouses are defined as large format stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods catering mainly for car-borne customers by having large adjacent dedicated surface car parking.</p> <p>2 Supermarkets are defined as large format, self-service stores, usually with large adjacent dedicated car parks, that are principally used as people's main weekly food and essential consumer good shopping (although some comparison goods will often also be sold). A large proportion of supermarket customers will use a trolley, rather than a basket in the store.</p> <p>3 This means all other chargeable development as identified in Regulations and Guidance – industrial, office etc.</p> <p>* Agricultural related developments excludes agricultural workers dwellings. These are covered by the residential charge.</p>	<p>1 Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.</p> <p>2 Supermarkets are large convenience-led stores where the majority of custom is from people doing their main weekly food shop. As such, they provide a very wide range of convenience goods, often along with some element of comparison goods. In addition to this, the key characteristics of the way a supermarket is used include: the area used for the sale of goods will generally be above 500 sq. m; the majority of customers will use a trolley to gather a large number of products; the majority of customers will access the store by car, using the large adjacent car parks provided; and servicing is undertaken via a dedicated service area, rather than from the street.</p> <p>3 This means all other chargeable development as identified in Regulations and Guidance – industrial, office etc.</p> <p>* Agricultural related developments excludes agricultural workers dwellings. These are covered by the residential charge.</p>	To clarify the footnote definitions of types of retail development