
Report to Mid Suffolk District Council

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an Examiner appointed by the Council

Date: 15 December 2015

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE MID SUFFOLK DISTRICT COUNCIL REVISED DRAFT COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 19 March 2015.

Examination hearing held on 18 June 2015

File Ref: PINS/W3520/429/9

Non Technical Summary

This report concludes that, subject to the modifications set out in Appendix A, the Mid Suffolk District Council Revised Draft Community Infrastructure Levy Charging Schedule, as amended by the Mid Suffolk District Council Community Infrastructure Levy – Statement of Modifications Regulation 19 Statement July 2015, provides an appropriate basis for the collection of the levy in the area. The Council has sufficient evidence to support the schedule and can show that the levy is set at a level that will not put the overall development of the area at risk.

Introduction

1. This report contains my assessment of the Mid Suffolk District Council Revised Draft Community Infrastructure Levy Charging Schedule in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with the Planning Practice Guidance (PPG).
2. To comply with the relevant legislation the local charging authority has to submit a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the district.
3. The Council produced the evidence base jointly with Babergh District Council. Whilst I also conducted the examination for the Babergh District Council Revised Draft Community Infrastructure Levy Charging Schedule, I have produced separate reports for each Council. However as these are based on joint evidence they are very similar in parts.
4. The Revised Draft Charging Schedule (RDCS) published in January 2015 was submitted for Examination by the Council on 19 March 2015, following public consultation in January and February 2015. The RDCS replaced an earlier Draft Charging Schedule of November 2014 which was subject to public consultation in November to December 2014 (DCS). As part of the Examination a single Hearing day was held on 18 June 2015.
5. Following the Hearing session and as discussed during the examination, the Council provided specific appraisals for three larger sites: Eye Airfield, Lake Park (former Needham Quarry) and Union Road, Stowmarket. This led the Council to add these sites to the defined list of strategic sites and the maps within the charging schedule and carry out consultation during July and August

2015 through a *Statement of Modifications*¹. These now form the basis for the examination and my assessment in this report and accordingly, I do not need to formally recommend these changes as modifications. In reaching my conclusions I have taken in to account the representations made on the draft Charging Schedule and the *Statement of Modifications*. Whilst the *Statement of Modifications* also includes changes to the Regulation 123 list, this does not form part of the Charging Schedule and as such is a matter for the Council.

6. In addition and as a result of discussions at the Hearing, the Council has produced alternative appraisals for small sites (1, 5 and 10 dwellings) to sensitivity test relevant evidence provided by the smaller housebuilders. The Council carried out consultation on these additional appraisals during July 2015, proposing that the charging rates for such sites remained unaltered.
7. On 31 July 2015, a High Court judgement (*West Berkshire District Council and Reading Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2222 (Admin)*) was issued. Following this the PPG was amended by removing the requirement that developer contributions such as affordable housing should not be sought from development of 10 units or less. In order to inform my conclusions, during August 2015 I sought views on the implications of this change for the CIL examination, from the Council and representors who submitted comments on the proposed residential rates. Further clarification of the Council's proposed charging rates for residential development was provided during September 2015 followed by a final opportunity for comments on this matter during October 2015.
8. The Council acknowledges that the charging rates for small sites within the RDSCS as submitted do not now conform to the revised PPG, as they do not take account of the 35% affordable housing on residential sites of 5 dwellings or more within the District, except in Stowmarket and Needham Market where it requires this on sites of 15 dwellings or more. I note that several representors have requested that the Council carry out further appraisals and produce modifications for consultation on this matter. However the Council does not consider that further evidence and consultation on this issue is necessary and instead refers to their previous DCS which set out rates for residential development in accordance with the Council's affordable housing policy. These previously proposed residential rates were: low zone (1-14 dwellings) at £75 per sqm; low zone (15+dwellings) at £50 per sq m and high zone at £115 per sqm. Although the Council has not formally advanced any modifications on this matter, they have confirmed that they would be content to accept these charging rates should I be minded to recommend them within this report.

¹ Mid Suffolk District Council Community Infrastructure Levy – Statement of Modifications Regulation 19 Statement, July 2015

9. Notwithstanding this, the basis for the Examination and this report is the RDCS submitted in March 2015 as modified by the *Statement of Modifications*. As such the RDCS proposes to include differential charging rates for residential development, based on a low value zone, high value zone and strategic site geographical areas. The low and high zones are proposed to be further differentiated by the number of units. In summary the proposed residential rates are:
- Low value zone (excluding assisted living housing): sites of 1-10 dwellings at £125 per sqm and sites of 11+ dwellings at £75 per sqm.
 - High value zone (excluding assisted living housing): sites of 1-10 dwellings at £165 per sqm and sites of 11+ dwellings at £115 per sqm.
 - Strategic sites (as listed) at £0 per sqm.
10. The Council also proposes a District wide charge of £100 per sqm for development that would comprise wholly or mainly of convenience retail. A zero rate would apply to all other uses.
11. In reaching my conclusions I have taken all consultation responses into account.

Is the charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

12. The development plan for Mid Suffolk District currently consists of three main documents: the Mid Suffolk Core Strategy (CS) adopted in 2008; the Focused Review of the Core Strategy (FRCS) on housing and employment matters adopted in 2012; and the Stowmarket Area Action Plan (AAP) adopted in 2013. These collectively set out the main elements of growth within the District, including the provision for 3,845 new homes to be delivered between 2012 and 2027.
13. The main location for growth is the Stowmarket AAP area, where 1,925 dwellings are proposed to be delivered. The Council originally only assessed three strategic sites in the VS that would deliver 1,525 houses: Chilton Leys, Ashes Farm and Farriers Road all in Stowmarket. Following the Hearing the Council confirmed that their housing growth is also dependent on three other large sites coming forward at Eye Airfield (around 290 homes), Lake Park (former Needham Quarry) (around 266 homes) and Union Road (upto 300 homes) in Stowmarket. These are proposed to deliver approximately 856 new homes within the District. Appraisals have now been produced for these sites.

The remaining housing is to be directed towards Needham Market, Eye and the 10 Key Service Centres within the District.

14. The Council recognises that this development will need to be supported by further infrastructure, including education, health, utilities, transport, emergency service provision, community and green infrastructure, flood prevention measures and waste provision. This is detailed within the Mid Suffolk District Council Infrastructure Development Plan 2014 (IDP), which has been informed by appropriate consultations with service providers.
15. The IDP broadly identifies the infrastructure that is likely to be required from the growth strategy set out within the development plan. Infrastructure requirements for Stowmarket were considered as part of the AAP Examination. The IDP includes an estimate for total infrastructure costs of about £106 million for the period up to 2027.
16. Although the Council recognises that many of the infrastructure providers will invest in some of the future infrastructure required, it is not known at present how much funding would be made available. The Council accepts that it has therefore taken a precautionary approach in setting out the infrastructure costs.
17. The Council originally estimated that there would be a funding gap of approximately £51.5m to be provided by CIL receipts. However the Council confirmed at the Hearing that the funding gap is actually around £71.5m which clearly demonstrates a need to levy a charge on future development.
18. The Council estimates that its CIL receipts during the plan period could be between £20m and £25m. This would be delivered mainly through residential development, as the Council anticipates that there would be limited CIL receipts from convenience retail development during the Plan period. Although this potential CIL revenue would not bridge the significant infrastructure funding gap, it would assist in reducing it.
19. The Council has produced a Regulation 123 list (November 2014) which sets out in general terms the types of infrastructure that it intends to fund, partly or wholly, through CIL receipts. This includes the provision of library facilities, additional school places, health facilities and leisure and community facilities and public transport improvements. Infrastructure requirements for the defined strategic sites are excluded from the list.
20. It is not the purpose of the CIL examination to challenge the draft Regulation 123 list. Although a number of representations have raised concerns about the generic nature of the list and have sought revisions to it, there is no evidence that this approach would hinder the delivery of specific infrastructure. I therefore consider that the Council has clearly identified the

types of infrastructure that could be funded through the CIL receipts.

21. The Regulations prevent any infrastructure from being paid for through both S106 contributions and CIL (termed 'double-dipping'). The Council at the Hearing stated that notwithstanding the existing County wide planning obligations documents, they are proposing to produce a supplementary planning document to explain the split between S106 contributions and CIL funding. However I note that there is no timescale for the production of this document at present. I would urge the Council to produce this document without delay to aid clarity for developers.

Economic viability evidence and approach to rate setting

22. The Council has produced viability evidence in the form of the *Babergh and Mid Suffolk CIL Viability Study Final Report (October 2014) (VS)* and the *Babergh and Mid Suffolk CIL Viability Study Report Addendum: Viability update on revised affordable housing thresholds (January 2015) (Addendum)*. In addition the *Babergh and Mid Suffolk Community Infrastructure Levy Viability Study: Response to Additional Examiners Questions (July 2015) (Addendum 2)* has also been produced.
23. The assessments set out within the VS and both addendums are based on a residual valuation approach using industry standard assumptions for a range of factors including build costs and profit levels. In summary they seek to establish a residual value by subtracting all costs (except for land purchase) from the value of the completed development (the *gross development value*). The price at which a typical willing landowner would be prepared to sell the land (the *threshold or benchmark land value*) is then subtracted from the residual value to arrive at the *overage* or '*theoretical maximum charge*'. This is the sum from which the CIL charge can be taken provided that there is a sufficient viability buffer or margin.
24. The Addendum and Addendum 2 were both produced prior to the recent changes to the PPG, in which the requirement that developer contributions such as affordable housing should not be sought from development of 10 units or less has been removed. Consequently the residential development viability assessments contained within them for small sites (10 dwellings or less) do not include policy implications for the provision of affordable housing in accordance with the Council's policy. As such the Council considers that the earlier VS is the correct one to use because it applies full policy costs. I shall refer to this later in my report.
25. The provision of a viability buffer is recommended by the PPG² so that the levy

² Planning Practice Guidance Paragraph 019 - Reference ID: 25-019-20140612

rate is not set at the margins of viability and is able to support development when economic circumstances adjust. This can also provide some degree of safeguard in the event that gross development values (GDV) have been over-estimated or costs under-estimated and to allow for variations in costs and values between sites. In broad terms, I consider that the appropriate buffers have been applied.

Benchmark Land values (BLVs)

26. For residential development, the BLVs range from £500,000 to £1,250,000 per hectare, according to the size of the development and its geographical location. As there has been limited transactional data within the area, the assumptions about BLVs have been based on three main sources, including land marketed on the UK Land Directory website and EG Property Link, consultations with local property agents and developers and values reported in viability studies submitted to the Council as part of recent S106 negotiations. The Council clarified at the hearing that the BLVs are based on the net developable area of fully serviced sites with no planning permission. No substantive evidence has been submitted to justify the use of alternative values and I therefore find that the appraisal assumptions appear reasonable.
27. Due to the lack of transactions and comparable data the BLVs for other forms of development including offices and retail schemes are based on professional expertise provided by the Council's viability consultants and from discussions with local agents. This approach is reasonable and based on the evidence available.

Sales values

28. The Council suggests that for residential development the sales values as set out within the VS are a fair assessment of market value of between £2,150 and £2,485 per sqm, based on a combination of average sales prices for both new and second hand home transactions as at August 2014. Whilst several representors argue that the sales price assumptions are too generic, I note that the Council has used Land Registry data which has been supplemented by local market information provided by agents and house builders' sales representatives. I am satisfied that the Council has taken a reasonably cautious approach when calculating these values.
29. Commercial valuations are based on professional expertise provided by the Council's viability consultants and local evidence received through consultation. This approach is reasonable and based on the evidence available.

Build costs and site densities

30. Build costs for residential development are based on BCIS data as at September 2014 (£865 per sqm for houses and £965 per sqm for flats). Evidence shows that build costs have increased since the VS was produced, but these can be broadly balanced against rising sales values. Furthermore it is reasonable for the VS to be carried out using a single base date.
31. Although the Code for Sustainable Homes (CSH) has now been withdrawn by the Government, I note the intention is to set energy performance requirements out in the Building Regulations from late 2016. The Council's approach to including an additional cost over BCIS to allow for achieving the equivalent to Code for Sustainable Homes Level 4 is pragmatic and helps to ensure that build costs are not underestimated.
32. Several representors raise concerns about abnormal or other site related costs as these are excluded from the VS. However the BLVs assume sites are ready to develop. In addition, whilst there may be some sites where there are abnormal construction costs, these are unlikely to be typical and this would, in any case, be reflected in a lower BLV for a specific site. In addition such costs could, at least to some degree, be covered by the sum allowed for contingencies. I therefore find the Council's approach is reasonable.
33. In relation to build costs for small sites, this was discussed at some length during the Hearing and since then I have received further representations in response to my additional questions and the Council's consultation on this matter. Representors have drawn my attention to the BCIS higher build cost figure for 3 dwellings or less of £1,374 and a recent BCIS report on the economics of small site housing development³. This specifically states that the build costs for all residential schemes of 10 units or less is on average 6% higher than for larger developments. The Council does not dispute this in their letter of 28 September 2015 and have used the higher BCIS build costs for small sites within their Addendum 2 appraisals. However they also use updated sales values and conclude that higher construction costs can generally be off-set by higher sales values, resulting in no material difference to small site viability.
34. Whilst I note the concerns on density, at the Hearing the Council confirmed that the assumptions used are based on monitoring work, planning application records and the size of the developments planned. Whilst the Council accept that during the past 5 years the average density on all sites has been around 20 dwellings per hectare, this is not the norm and has been during a period

³ BCIS Report for the Federation of Small Businesses 'Housing development: the economics of small sites – the effect of project size on the cost of housing construction' August 2015

where few Local Plan allocations remain and a larger proportion of windfall and small sites have been delivered. As the majority of development proposed to be delivered during the Plan period will be on strategic and larger sites I am satisfied that generally the density assumptions reflect this and are appropriate.

35. Whilst I recognise that the small site appraisals within the VS are based on these average site densities and build costs, to my mind the approach taken by the Council is both proportionate and pragmatic. It is clear that there will always be exceptions and that it would not be reasonable for the VS to take account of every eventuality, considering its purpose is to provide a broad assessment of economic viability across the District. Furthermore the viability margins proposed are generous and provide sufficient flexibility for any additional costs.
36. Build costs for other forms of development have not been significantly questioned, have been based on available data including BCIS figures and appear to be reasonable.

Section 106 and Section 278 costs

37. For non-strategic residential sites, an assumption of £1,000 per dwelling has been used to cover Section 106/Section 278 costs in the VS and Addendums. This would cover items such as local access roads and on-site open space provision. The Council indicated at the Hearing that as the appraisals assume fully serviced sites, Section 278 costs would likely be reflected in the BLV.
38. Representors raise concerns that £1,000 is too low and provide development examples where average Section 106 costs for on-site open space provision alone have been significantly higher. The Council confirmed at the Hearing that once CIL is introduced, the use of S106 will be scaled back and that the assumed £1,000 reflects this approach. I also recognise that the £1,000 cost is an average and that some developments could have higher Section 106 costs whilst others could be lower. In addition, the viability margins are sufficient to accommodate some additional costs without prejudicing development coming forward. I therefore find the Council's assumptions to be reasonable.
39. For strategic sites the Section 106/Section 278 requirements assumed in the VS are much larger and are more bespoke, in recognition of the additional infrastructure needed to develop these sites. This approach is also reasonable.

Development scenarios

40. The VS provides appraisals for eight types of residential development

scenarios with houses ranging from single plot development to a 50 unit scheme and flats ranging from 3 units to 50 units. Each type of development has been tested for viability according to its low or high value location.

41. Concerns have been raised that the scenarios do not reflect the development that is proposed to come forward over the Plan period, such as sites larger than 50 dwellings but less than the smallest strategic site of around 175 dwellings. Whilst a Site Allocations development plan is not currently in place, the Council indicated at the Hearing that one is being progressed and that the scenarios generally reflect the size of non-strategic development proposed to come forward during the Plan period. Overall I consider that the sampling used covers a reasonably representative selection of the types and sizes of development likely to be constructed within the District.
42. In relation to retail development the VS has tested one scenario for comparison retail and three different scenarios for convenience retail according to the size of the store. I note that no large format convenience stores are proposed within the District so the largest development scenario was adjusted to a £4,000 sqm (gross) convenience store. This appears to be a pragmatic and reasonable approach.
43. The VS has also appraised six other development types including office, light industrial, retail, care homes and hotels. There is no indication that rental values and yields might vary significantly across the District and therefore there is no justification for carrying out finer grained sampling. The Council's approach to these development scenarios is therefore reasonable.

Affordable housing

44. The Council's planning policy requires 35% affordable housing in Stowmarket and Needham Market, on residential sites of 15 dwellings or more. This is the low value zone. The rest of the District forms the high value area and the policy requires 35% affordable housing on all residential sites of 5 dwellings or more. This requirement has been included within the VS appraisals.

Developer Profit

45. The VS assumes a developer profit of 20% of GDV for market housing and 6% of GDV for affordable housing. This equates to around 17.5% of overall GDV. Although representors argue that the figure should be higher, the assumptions made seem reasonable and are sufficient to ensure that development would not be prejudiced. The rate of return for other development also seems reasonable.

Other costs

46. The viability assessment and appraisal results for residential development include 8% of development costs for professional fees, £500 per unit for legal fees, sales agents fees of 1.25% of private sale value, £1000 per private unit for marketing costs and finance interest at 7%. Contingency costs are mainly set at 5% although the Farriers Road strategic site has a higher cost of 10%.
47. A number of representations criticise these figures as being too low. However the assumptions appear reasonable and follow industry standards. In addition I have no firm evidence to indicate that significantly higher percentages should be applied.
48. The costs for other types of development also appear to be in accordance with industry standards and are reasonable.

Conclusion

49. The draft Charging Schedule is supported by detailed evidence of community infrastructure needs and economic viability. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate. I recognise that there are different opinions on individual cost elements and that small variations in some could cumulatively have an impact on viability. However there are no definitive right or wrong figures to be applied and the assumptions made by the Council in the main reflect appropriate industry costs and are not set too low. The existence of contingency costs and the use of significant viability buffers reinforces the Council's approach and provides reasonable margins for any additional costs.

Is the charging rate informed by and consistent with the evidence?

CIL rates for residential development

50. The Council confirmed at the Hearing that most residential development is proposed to come forward from the low value areas of the District. The VS shows that within the low value zone, overages for houses range from £183 to £250 per sqm. Within the high value zone the maximum CIL charge for houses ranges from £273 to £349.
51. As previously set out above, the proposed charging rates in the RDCS are not consistent with the VS evidence as they are informed by the non-policy compliant Addendum appraisals. It is therefore necessary for me to consider what rates are appropriate based on the policy compliant evidence that is before me. As requested by the Council I have considered the proposed charging rates set out within the DCS against the maximum overages available. The CIL charge rates of £115 per sqm within the high value zone and £75 per sqm for 1-14 dwellings and £50 per sqm for 15+ dwellings within

the low value zone would provide generous buffers of around 60-70%.

52. In the high value area the development plan seeks affordable housing for schemes of 5+ dwellings. Consequently, the removal of the nationally set threshold of 10 dwellings has the effect of reducing the viability of such schemes. It is therefore appropriate to reduce the charge for smaller developments from £165 to £115 as proposed by the Council. Furthermore, the charge for 1-4 dwellings should also be reduced to increase the viability buffer and achieve consistency across development. The Council's suggested flat rate of £115 within the high value area is therefore recommended as this would result in proportionate and consistent buffers.
53. Turning to the low value zone, the development plan only requires affordable housing for developments of 15+ dwellings. Therefore, the removal of the affordable housing threshold of 10 dwellings as set out in the PPG does not have any direct effect on the viability of smaller schemes. Nevertheless, the Council now considers that the rates for 1-10 dwellings and 15+ dwellings should be reduced (from £125 to £75 and £75 to £50 respectively). This would help ensure that the viability buffers would be consistent with those for the high value zone. It is also reasonable that all the rates are based on appraisals that have been prepared at the same time and to the same assumptions. I therefore recommend that the rates are reduced as proposed by the Council. This would provide generally consistent buffers of around 60-70%, which would be justified by the viability evidence.
54. Whilst I note that low levels of affordable housing have been achieved on recent residential schemes within the District, I see no reason why the delivery of affordable housing would be prejudiced by the imposition of the modified CIL rates, particularly as these would be lower than those set out within the submitted RDCS. In addition lower charging rates would assist the delivery of small sites within both zones.
55. Representors have queried proposed charging for flat developments as the evidence shows that these would predominantly be unviable. However the Council confirms that flats would form a very small proportion of planned growth and that these would mainly come forward as part of mixed use schemes where one housing type would cross-subsidise another, ensuring that such development was viable. I was informed at the Hearing that over the last 5 years flats have accounted for only around 8% of total residential development. Furthermore flats account for only around 5.6% of overall housing stock within the District. The Council anticipates that a low level of flat developments is likely to come forward within the Plan period which is not essential to the delivery of the Plan and as such a charging rate for flats would not threaten planned growth.

56. Whilst I note that agricultural dwellings could fall within the residential charging rate, it has not been demonstrated to me that such development would not be viable.
57. Concerns have also been raised about the lack of parity of the proposed charging rates with adjacent areas. South Norfolk's £50 rate has been particularly highlighted as this is adjacent to the Council's high value residential zone which is proposed to be higher. Whilst I acknowledge that adjacent areas may have lower CIL charging rates, these are based on the assumptions set out within the viability assessments for those areas and available evidence. I can only base my assessment of the rates for Mid Suffolk on the evidence that is before me, irrespective of what adjacent areas propose.
58. Taking all the above into account I recommend that the Charging Schedule, as amended by the *Statement of Modifications July 2015* is modified as set out within Appendix A to this report, to include lower residential development charging rates as suggested by the Council and as justified by the viability evidence **(EM1)**. In addition for reasons of clarity the text 'reference to combined gross floorspace upto 1,000sqm' within the residential rates is no longer needed due to the changes to the PPG and therefore should be deleted **(EM2)**.
59. A representor has sought that the term 'assisted living' charging is changed to 'specialist older persons housing' as this best describes the specific provision referred to. The Council at the Hearing confirmed that they had no objections to this and I therefore recommend, for the avoidance of doubt, that references to 'assisted living' housing within the Charging Schedule is replaced with the term 'specialist older persons housing' **(EM3)**.

Strategic sites

60. The VS contains individual assessments for the Chilton Leys, Ashes Farm and Farriers Road strategic sites in Stowmarket. The additional site specific appraisals for Eye Airfield, Lake Park (former Needham Quarry) and Union Road, Stowmarket are set out within the Addendum 2 document. These sites are required to come forward within the Plan period and therefore will provide significant contributions to the planned growth within the District.
61. In all cases the viability assessments have included individually assessed section 106 and section 278 costs and where relevant additional contingencies have been included to take account of matters such as piling. The appraisals show that CIL could not be viably accommodated. I have received no objections to these appraisals or the proposed nil charge for these sites. Based on the evidence before me I consider that a CIL charge could hinder the

delivery of these strategic sites. The proposed nil rate is therefore consistent with the evidence and is justified.

CIL rates for convenience retail development

62. Although there are no specific proposals for convenience retail development within the District, the CS focuses retail provision in Stowmarket which is the main location for growth within the Plan period.
63. Concerns have been raised by representors that the proposed CIL charge of £100 per sqm could affect the delivery of stores within the town centres, should they come forward. However based on the evidence before me there appears to be little variation as to the viability of this form of retail whether it is within or outside town centre locations. Indeed the VS identifies that in contrast to all other types of commercial development, convenience retail generates positive residual values within the District. The proposed District wide charge of £100 per sqm is therefore consistent with the evidence and is justified.

Other development

64. The VS shows that viability for all other development, including offices, light industrial, comparison retail, hotels, care homes and assisted living (specialist older persons housing) is negative without CIL being charged. A £0 CIL rate for all other development is therefore appropriate. However to ensure clarity the schedule should be amended by removing all reference to use classes under 'All other uses' within the schedule **(EM4)**.

Other matters

65. Representors have raised concerns that the Council's draft instalments policy is not flexible enough, but it has not been demonstrated that the payment periods and amounts requested would affect scheme viability. I also note the Council has not produced a payments in kind policy or exceptional circumstances relief policy. However the Council has discretion over these matters and it is not the role of the examination to consider them. There is therefore no need for me to comment further on these matters.

Does the evidence demonstrate that the proposed charge rate would not put the overall development of the area at serious risk?

66. The Council's decision to set the rates in the charging schedule is based on reasonable assumptions about development values and likely costs. The evidence suggests that the overall development of the area, as set out in the development plan, will not be put at risk if the proposed charges are applied, subject to the recommended modifications. In setting the CIL charging rates the Council has had regard to detailed evidence on infrastructure planning and

the economic viability evidence of the development market in the District of Mid Suffolk.

67. I recognise the modifications as set out in Appendix A will reduce the level of CIL income to some degree. However the Council will still achieve a reasonable level of income that will assist in reducing a significant gap in infrastructure funding, whilst ensuring that a range of development remains viable across the District.

Conclusion

68. Overall therefore, and subject to the recommended modifications, an appropriate balance has been achieved between the desirability of funding the costs of new infrastructure and the potential effects on the economic viability of development across the charging area. However it would be prudent for the Council to review the schedule within 3 years of adoption, as subsequent development plan documents are prepared, to ensure that the overall approaches taken remain valid, that development remains viable and that an appropriate balance is being struck.

LEGAL REQUIREMENTS	
National Policy/Guidance	Subject to the recommended modifications the Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Core Strategy and Infrastructure Delivery Plan and is supported by adequate financial appraisals.

69. I conclude that, subject to the modifications set out in Appendix A, the Mid Suffolk District Council Revised Draft Community Infrastructure Levy Charging Schedule, as amended by the Mid Suffolk District Council Community Infrastructure Levy – Statement of Modifications Regulation 19 Statement July 2015, satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

Y Wright

Examiner

This report is accompanied by **Appendix A** (attached) – Modifications that the Examiner specifies so that the Charging Schedule may be approved.

Appendix A

Modifications recommended by the Examiner so that the Charging Schedule may be approved. Unless otherwise specified, new text is in **bold and underlined** and deletions are marked in ~~**bold and strikethrough**~~.

Examiner Modification (EM) Number	Reference	Modification
EM1	Table 01, CIL Rates	Replace the residential development rates, excluding strategic sites, with the following: <u>1-14 dwellings – Low value zone: £75 per sqm</u> <u>15+ dwellings – Low value zone: £50 per sqm</u> <u>High value zone: £115 per sqm</u>
EM2	Table 01, CIL Rates	Delete 'reference to combined gross floorspace upto 1,000sqm' within the residential rates.
EM3	Table 01, CIL Rates	Replace reference to 'assisted living' housing with <u>'specialist older persons housing'</u> within the brackets under Residential development and in the footnote to the table.
EM4	Table 01, CIL Rates	Delete brackets and text under ' All other uses'