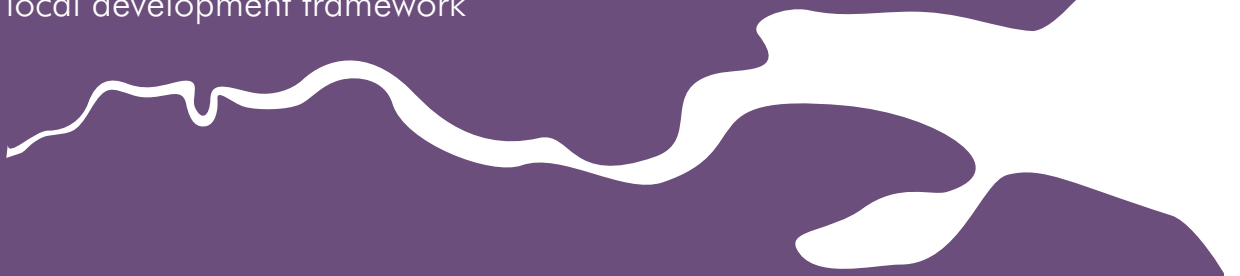


community infrastructure levy  
february 2015

southend on sea borough council  
local development framework





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6. Duty to Co-operate

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# 1. Introduction

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- 1.1 This statement has been prepared as a supporting document to the Community Infrastructure Levy (CIL) Draft Charging Schedule submission document and to comply with the requirements of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended) and the Planning Practice Guidance relating to CIL on the Government's planning portal website.
- 1.2 This document details how the Council has dealt with consultations, how representations have been sought and how representations have been received and addressed in preparing the CIL Draft Charging Schedule.
- 1.3 This statement set out:
  - The methods the Council employed to engage with the community;
  - Which bodies and persons were invited to make representations under CIL Regulation 15, 16 and 17;
  - How those bodies and persons were invited to make representations under CIL Regulation 15, 16 and 17;
  - The number of representations made pursuant to Regulation 15, 16 and 17;
  - A summary of the main issues raised by the representations made pursuant to CIL Regulation 15, 16 and 17; and
  - How the representations made pursuant to CIL Regulation 15, 16 and 17 have been taken into account in preparing the submission version of the CIL Draft Charging Schedule.



## 2. Statement of Community Involvement

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- 2.1 Southend Borough Council has an adopted Statement of Community Involvement (SCI), which sets out how the Council will engage the local community and other interested parties in the planning process.
- 2.2 The SCI was adopted in June 2013 following public consultation. Southend Borough Council first adopted a SCI in November 2007 and this document represents the second update that has been undertaken to reflect new planning legislation. The CIL Draft Charging Schedule was prepared in compliance with the Council's adopted SCI and the relevant CIL Regulations.





### 3. Consultation Process Overview

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- 3.1 The CIL Draft Charging Schedule has been subject to an extensive process of consultation, which has helped to shape the document.
- 3.2 There have been three rounds of consultation as follows:
- [Round 1: Preliminary Draft CIL Charging Schedule \(28<sup>th</sup> July to 8<sup>th</sup> September 2014\)](#)
    - Supporting Key Documents included: Viability Study (May 2014), Viability Addendum Note (July 2014) and Infrastructure Delivery Plan (June 2014)
  - [Round 2: CIL Draft Charging Schedule and revised SPD2: Planning Obligations \(3<sup>rd</sup> November to 15<sup>th</sup> December 2014\)](#)
    - Supporting Key Documents included: Overview Report (Nov 2014), Viability Study (May 2014), Viability Addendum Note (July 2014), Infrastructure Delivery Plan (June 2014) **plus** draft Regulation 123 Infrastructure List, CIL Instalment Policy, CIL Payment in Kind and Infrastructure Payments Policy.
  - [Round 3: Amended Section 3 and 6 of the CIL Draft Charging Schedule \(7<sup>th</sup> January to 19<sup>th</sup> February 2015\)](#)
    - Supporting Key Documents included: Overview Report (Nov 2014), Viability Study (Dec 2014), Viability Addendum Note (July 2014) and Infrastructure Delivery Plan (Sept 2014)
- 3.3 Details of the consultation methods used by the Council, together with a summary of the main issues raised at each stage of the consultation, are detailed in Sections 4 and 5 below.
- 3.4 The following tables summarise the number of representations received at each stage of the consultation:

Round 1: Preliminary Draft CIL Charging Schedule (total no. of respondents: 10)	
Number of representations that <b>support</b>	12
Number of representations that <b>object</b>	20
Number of representations that <b>comment</b>	39
<b>Total</b>	<b>71</b>

Round 2: CIL Draft Charging Schedule (total no. of respondents: 6)	
Number of representations that <b>support</b>	4
Number of representations that <b>object</b>	31
Number of representations that <b>comment</b>	26
<b>Total</b>	<b>61</b>

N.B. Representations received in relation to the revised SPD2: Planning Obligations are outlined in the separate Overview Report (Feb 2015).

Round 3: Amended Section 3 and 6 of the CIL Draft Charging Schedule (total no. of respondents: 5)	
Number of representations that <b>support</b>	1
Number of representations that <b>object</b>	6
Number of representations that <b>comment</b>	8
<b>Total</b>	<b>15</b>

- 3.5 On submission of the CIL Draft Charging Schedule the Council will also publish a Statement of Modifications, outlining any minor changes made to the Draft Charging Schedule since its publication. The same consultation methods used in Round 2 and 3 (as outlined below) will be adopted.

## 4. Round 1 Consultation Summary (PDCS)

4.1 The Preliminary Draft Charging Schedule (PDCS) was made available for public consultation between 28<sup>th</sup> July and 8<sup>th</sup> September 2014. The Council consulted the community and other stakeholders using the methods outlined in Table 1 below.

Table 1: Round 1 Consultation Methods

Method	Action taken
Direct consultation with Specific, General and Other Consultees including hard copies/electronic copies of the consultation document where appropriate	Letter and email sent on 28 <sup>th</sup> July 2014 to targeted contacts on the LDF database to inform them that the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule consultation document was published for consultation. The database contains over 700 consultees representing Specific, General and Other Consultees.
	Hard copies of the document were printed and made available on request. We had 2 requests.
	An email was sent to all of Southend-on-Sea Borough Council Councillors informing them of Consultation and requesting response. Hard copies were supplied on request.
	An email was sent to all of Southend-on-Sea Borough Council's Corporate Directors informing them of Consultation and requesting response. Hard copies were supplied on request.
Inspection copies were made available at all of the public libraries in the Borough and at the Civic Centre	Copies of the PDCS and supporting documents were placed at all libraries and Council Offices on 28 <sup>th</sup> July 2014.
Publish on the Southend Borough Council website	The PDCS and supporting documents were published on the Southend Borough Council website with a JDi on line consultation facility and ability to download documents on 28 <sup>th</sup> July 2014. Information was provided on how to obtain hard copies and/or view at deposit points.
Forums and Workshops	Email sent inviting Developers Forum, Leigh Town Council and other targeted consultees to Workshops held on Wednesday 13 <sup>th</sup> and 14 <sup>th</sup> August 2014.
Senior Management and Councillor Briefings	Local Development Framework Working Party briefed prior to the Consultation on 25 <sup>th</sup> June 2014; and Senior Leadership Team briefed 20 <sup>th</sup> June 2014.
Feedback form to assess effectiveness of engagement activity	Documents placed on the Council's website ( <a href="http://www.southend.gov.uk/cil">www.southend.gov.uk/cil</a> ) for inspection and downloading. The Borough Council encourage comments online via our E-Consultation service in

	order to make commenting on documents easier and straightforward.
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4.2 Appendix 1 includes a copy of the following Round 1 consultation material:

- Consultation letter dated July 2014
- General Consultation email
- Targeted Email inviting to Developers Forum Workshop
- Targeted Email reminder regarding workshop
- Targeted Email inviting to Leigh Town Council Members' Workshop
- Representation Form
- Targeted Consultee list for this round
- Specific Consultee list
- Attendees to Workshops
- Presentation Slides to Leigh Town Council
- Presentation Slides to Developers Forum and Targeted Consultees

4.3 The main issues raised by the representations at this stage of the consultation are listed in Table 2. This list is not intended to be exhaustive and the separate Overview Report (Feb 2015) elaborates on the main issues raised during the consultation process and matters that are critical to consideration of a CIL Charging Schedule at public examination. Appendix 4 of this statement provides the full comments of each representation and the Council's response; and Appendix 5 includes BNP Paribas Real Estate's detailed response on behalf of the Council to representations from Savills.

Table 2: Summary of Main Issues (Consultation Round 1)

Main Issues
<ul style="list-style-type: none"> <li>▪ Proposed nominal rates deemed unacceptable</li> <li>▪ Striking an 'appropriate balance' when assessing potential for CIL charging</li> <li>▪ Insufficient viability buffer</li> <li>▪ Queries regarding assumptions in Viability Study (incl. Benchmark Land Values, abnormal allowance, level of professional fees and developer's profit)</li> <li>▪ Draft Instalments Policy not considered to accurately reflect development cashflow</li> <li>▪ Equality Analysis required</li> <li>▪ Local Plan (Development Plan) deemed not to be NPPF compliant and lacking an Objectively Assessed Housing Need</li> <li>▪ Concerns regarding whether CIL charging will threaten housing supply and delivery</li> <li>▪ Lack of guidance regarding CIL implementation including approach to payments in kind and relief</li> <li>▪ Concerns regarding lack of discretionary relief</li> <li>▪ Evidence base used in Infrastructure Delivery Plan for outdoor and indoor sport considered inadequate</li> <li>▪ Concerns regarding the complexity/generality of the draft Regulation 123 Infrastructure List and lack of updated Section 106 guidance to avoid 'double dipping'</li> <li>▪ Inclusion of Primary Healthcare on the draft Regulation 123 Infrastructure List welcomed</li> </ul>

## 5. Round 2 and 3 Consultation Summary (DCS)

- 5.1 The Draft Charging Schedule (DCS) and revised SPD2: Planning Obligations were made available for public consultation between 3<sup>rd</sup> November and 15<sup>th</sup> December 2014 (Round 2). During this time it was noted that there were a couple of omissions made in the drafting of the Key Documents including:-
- Figure 1 in Section 3 of the DCS showed an incorrect map;
  - Table 2 in Section 3 of the DCS detailing the Market Areas had been omitted;
  - Document entitled 'SPD2 – Summary of Changes' was referenced in error in Section 6 of the DCS – this document has now been superseded by the published SPD2 consultation document;
  - The most recent version of the Infrastructure Delivery Plan (Sept 2014) was not uploaded correctly;
  - Minor error found in the Viability Study appraisals (0% AH appraisals run with 10% AH by mistake – these have been re-run and are now included in the revised Viability Study appendices – this error has no impact on the advice of the study and the Viability Addendum Note July 2014 remains unchanged).

Hence, a further consultation (Round 3) was carried out in relation to Sections 3 and 6 of the DCS only, supported by the [Infrastructure Delivery Plan \(Sept 2014\)](#), and the [Viability Report \(Dec 2014\)](#) and [associated appendices](#). An [addendum to the Statement of Representations Procedure](#) previously published was also made available to reflect these amendments. Round 3 public consultation took place between 7<sup>th</sup> January and 19<sup>th</sup> February 2015.

- 5.2 At Round 2 the Council consulted the community and other stakeholders using the methods outlined in Table 3 below.

Table 3: Round 2 Consultation Methods

Method	Action taken
Direct consultation with Specific, General and Other Consultees including hard copies/electronic copies of the consultation document where appropriate	Letter sent on 31 <sup>st</sup> October 2014 and email on 3 <sup>rd</sup> November 2014 to all contacts on the LDF database and Round 1 consultees to inform them that the Community Infrastructure Levy (CIL) Draft Charging Schedule consultation document was published for consultation. The database contains over 700 consultees representing Specific, General and Other Consultees.
	Hard copies of the document were printed and made available on request. We had 3 requests.
	An email was sent to all of Southend-on-Sea Borough Council Councillors informing them of Consultation and requesting response. Hard copies were supplied on request.
	An email was sent to all of Southend-on-Sea Borough

	Council's Corporate Directors informing them of Consultation and requesting response. Hard copies were supplied on request.
Inspection copies were made available at all of the public libraries in the Borough and at the Civic Centre	Copies of the DCS and supporting documents were placed at all libraries and Council Offices on 3 <sup>rd</sup> November 2014.
Publish on the Southend Borough Council website	The DCS and supporting documents were published on the Southend Borough Council website with a JDi on line consultation facility and ability to download documents on 3 <sup>rd</sup> November 2014. Information was provided on how to obtain hard copies and/or view at deposit points.
Press Release + Newspaper notice	Public notice placed in weekly paper 4 <sup>th</sup> November 2014 and 7 <sup>th</sup> November 2014 (Evening Echo and Southend Standard)
Councillors	Local Development Framework Working Party briefed, prior to the consultation, on 11 <sup>th</sup> September 2014 to agree draft Governance Framework, Regulation 123 Infrastructure List and draft Payment in Kind and Infrastructure Payments Policy.
Feedback form to assess effectiveness of engagement activity	Documents placed on the Council's website ( <a href="http://www.southend.gov.uk/cil">www.southend.gov.uk/cil</a> ) for inspection and downloading. The Borough Council encourage comments online via our E-Consultation service in order to make commenting on documents easier and straightforward.

5.3 Appendix 2 includes a copy of the following Round 2 consultation material:

- Consultation letter dated October 2014
- Letter to libraries
- General Consultation email
- Specific Consultee list
- General Consultee list
- Consultees from Round 1
- Representation Form
- Statement of Representations Procedure
- Copy of Public Notice in Evening Echo Newspaper
- Copy of Public Notice in Standard Recorder Newspaper

5.4 At Round 3 the Council consulted the community and other stakeholders using the methods outlined in Table 4 below.

Table 4: Round 3 Consultation Methods

Method	Action taken
Direct consultation with Specific, General and Other Consultees including hard copies/electronic copies of the consultation document where appropriate	Letter and email sent on 7 <sup>th</sup> January 2015 to all contacts on the LDF database and Round 2 consultees to inform them that the Community Infrastructure Levy (CIL) Draft Charging Schedule consultation document (Sections 3 and 6 only) was published for consultation. The database contains over 700 consultees representing Specific, General and Other Consultees.
	Hard copies of the document were printed and made available on request.
	An email was sent to all of Southend-on-Sea Borough Council Councillors informing them of Consultation and requesting response. Hard copies were supplied on request.
	An email was sent to all of Southend-on-Sea Borough Council's Corporate Directors informing them of Consultation and requesting response. Hard copies were supplied on request.
Inspection copies were made available at all of the public libraries in the Borough and at the Civic Centre	Copies of the DCS (Sections 3 and 6 only) and supporting documents were placed at all libraries and Council Offices on 7 <sup>th</sup> January 2015.
Publish on the Southend Borough Council website	The DCS (Sections 3 and 6 only) and supporting documents were published on the Southend Borough Council website with a JDi on line consultation facility and ability to download document on 7 <sup>th</sup> January 2015. Information was provided on how to obtain hard copies and/or view at deposit points.

5.5 Appendix 3 includes a copy of the following Round 3 consultation material:

- Consultation letter dated January 2015
- General Consultation email
- Letter to libraries
- Specific Consultee list
- General Consultee list
- Consultees from Round 2
- Representation Form – January 2015
- Addendum to Statement of Representations Procedure

5.5 The main issues raised by the representations at this stage of the consultation are listed in Table 5. This list is not intended to be exhaustive and the separate Overview Report (Feb 2015) elaborates on the main issues raised during the consultation process and matters that are critical to consideration of a CIL Charging Schedule at public examination. Appendix 6 and 7 of this statement

provides the full comments of each representation and the Council’s response; and Appendix 8 includes BNP Paribas Real Estate’s detailed response on behalf of the Council to representations from Planning Potential and Savills.

Table 5: Summary of Main Issues (Consultation Rounds 2 and 3)

Main Issues
<ul style="list-style-type: none"> <li>▪ Proposed rates considered unviable (recommended that an additional zero rated residential charging zone be added)</li> <li>▪ Proposed charge for supermarkets, superstores and retail warehousing over 280sqm considered unfair for medium sized discount retailers</li> <li>▪ Striking an ‘appropriate balance’ when assessing potential for CIL charging</li> <li>▪ Insufficient viability buffer</li> <li>▪ Queries regarding assumptions in Viability Study (incl. Benchmark Land Values, abnormal allowance, level of professional fees, developer’s profit and S106 allowance)</li> <li>▪ Local Plan (Development Plan) deemed not to be NPPF compliant, lacking an Objectively Assessed Housing Need and unable to deliver an adequate housing supply (including over reliance on windfall development)</li> <li>▪ Concerns regarding whether CIL charging will threaten housing supply and delivery</li> <li>▪ Concerns regarding lack of discretionary or exceptional circumstances relief</li> <li>▪ Evidence base used in Infrastructure Delivery Plan for outdoor and indoor sport considered inadequate</li> <li>▪ Concerns regarding the residual S106 allowance</li> <li>▪ Inclusion of Primary Healthcare on the draft Regulation 123 Infrastructure List welcomed</li> </ul>



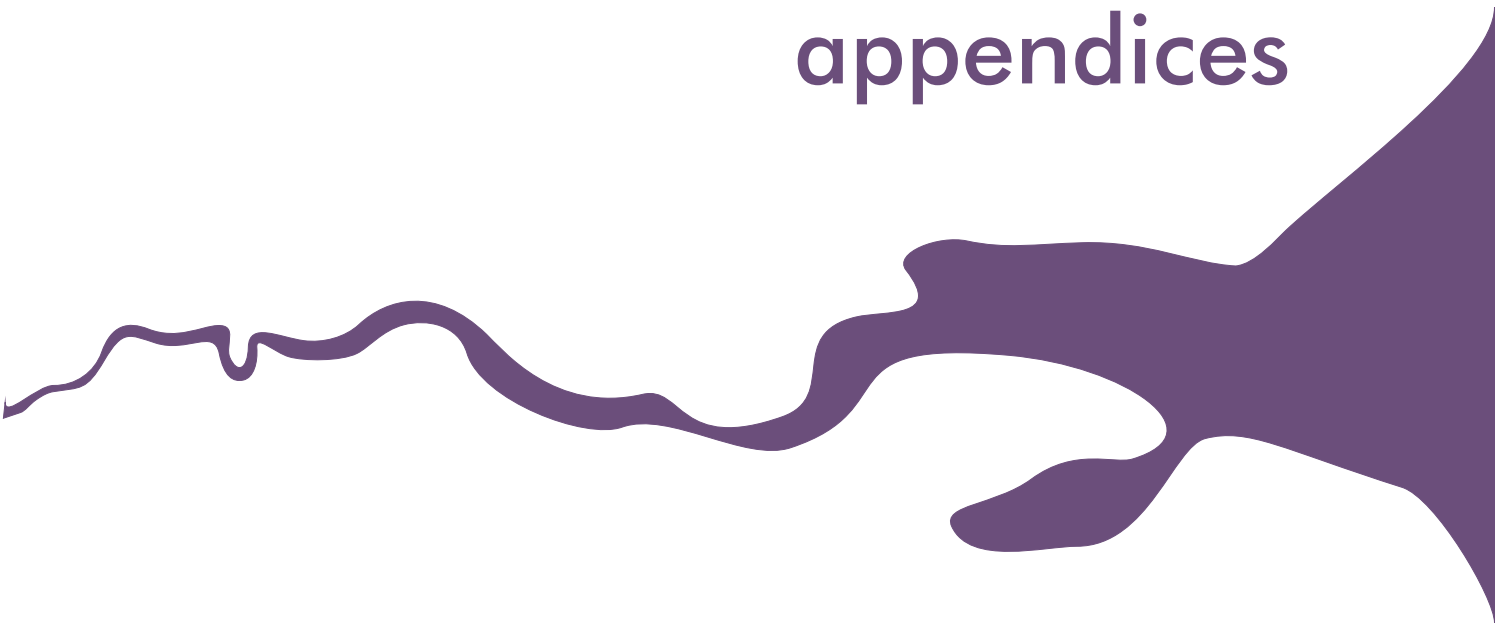
## 6. Duty to Co-operate

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- 6.1 The Council is keen to ensure that anyone with an interest in the Borough has the opportunity to comment on emerging plans and proposals. In accordance with the Localism Act (2011) and the National Planning Policy Framework (paragraph 178), the Council has a Duty to Co-operate. This means the Council now has a duty to co-operate with bodies prescribed under Regulation 4 of the Town and Country Planning (Local Planning) (England) Regulations 2012 on planning issues that cross administrative boundaries, particularly those that relate to strategic matters. In preparing its Draft Charging Schedule (DCS) and the Infrastructure Delivery Plan (IDP) the Council has consulted with all neighbouring local authorities. In addition, as part of the South East Local Enterprise Partnership (SE LEP), the South East Local Transport Body, the Thames Gateway South Essex Partnership and Thames Gateway South Essex Planning & Transport Board, Council officers have ensured that issues of a strategic cross-boundary nature have been taken into consideration in the DCS and IDP.
- 6.2 As the strategic nature of LEPs evolves and develops further, and local government seeks greater efficiencies, new groups and bodies will emerge; however, the duty to co-operate will remain and account will be taken of new models and arrangements for ensuring this continues.



appendices





## **Appendix 1: Copy of Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule Consultation Material (July 2014 – September 2014)**

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### **Contents**

Consultation letter dated July 2014  
General Consultation email  
Targeted Email inviting to workshop  
Targeted Email reminder regarding workshop  
Email to Leigh Town Council regarding workshop  
Representation Form  
Targeted Consultee list for this round  
Specific Consultee list  
Attendees to Workshops  
Presentation Slides to Leigh Town Council  
Presentation Slides to Developers Forum and Targeted Consultees

# Southend-on-Sea Borough Council

## Department for Place

### Head of Planning and Transport – Peter Geraghty

Our ref: TP/100/455/1/ds

Telephone: 01702 215408

Your ref:

Date: 28 July 2014

E-mail: council@southend.gov.uk

Contact Name: D Skinner

DX 2812 Southend

Dear Consultee

## Have your say on the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule Consultation

Southend-on-Sea Borough Council has prepared a **Revised** a Preliminary Draft Charging Schedule (PDCS) and comments are now invited on this document. More information about CIL can be found on the [DCLG website](#) and within the PDCS.

**Representations can be made during the publication period which begins at noon on Monday 28 July 2014 and ends at 5.00pm on Monday 8 September 2014.** Only representations received during this time will be considered. Late responses will not be accepted. Representations will only be regarded as duly made if supplied on the Representation Form or made directly via the online consultation system.

The Plan, alongside a statement setting out how representations can be made, is available online via the Councils' website ([www.southend.gov.uk/developmentmanagementdpd](http://www.southend.gov.uk/developmentmanagementdpd)) at Southend Civic Centre and in the Borough's libraries.

The quickest and easiest way to submit comments is via our online system at this link: <http://southend.jdi-consult.net/> .

Comments may be submitted by selecting the relevant document then clicking on the pen symbol next to the option on which you wish to comment. Before you submit comments for the first time you will need to register on the system. This is a simple process requiring a valid email address. **If you are already registered on the online consultation system you can use the same login and do not need to re-register.**

We recommend that you also visit [www.southend.gov.uk](http://www.southend.gov.uk) to view the documents, access background information and, if required, obtain help on using the online consultation system.

We recognise that not everyone has access to the Internet and that it is important that no one is excluded from participating. Copies of the Representation Form are also available from Southend Civic Centre, or on request by calling 01702 215408 or emailing [debeskinner@southend.gov.uk](mailto:debeskinner@southend.gov.uk).

Yours sincerely

Debee Skinner  
Business Intelligence Officer

## Debee Skinner

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**From:** LDF  
**Sent:** 28 July 2014 13:36  
**To:** Debee Skinner  
**Subject:** Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule Consultation

**Importance:** High

### Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule Consultation

As the first step towards introducing CIL the Council has produced a Preliminary Draft Charging Schedule (PDCS) and comments are now invited on this document.

**The closing date for comments is 5pm on 8<sup>th</sup> September 2014.**

Details on how to comment, and electronic copies of the PDCS consultation document and the evidence base studies can be viewed via the Council [website](#) (hard copies also available at [local libraries](#) in the Borough and at the [Customer Service Centre](#)).

All responses received will be considered by the Council when producing a Draft Charging Schedule, which will then be the subject of a further 6 week consultation in November/December of this year. Any further responses will subsequently be considered by an independent assessor as part of a Public Examination of the CIL charging schedule due to take place in Spring 2015.

#### What is CIL?

More information about CIL can be found on the [DCLG website](#) and within the PDCS.

#### Implementation of CIL:

Details of the forms and procedures relating to the collection and administration of CIL will be added to the website prior to implementation.

**Representations can be made during the publication period which begins at noon on Monday 28 July 2014 and ends at 5.00pm on Monday 8 September 2014.** Only representations received during this time will be considered. Late responses will not be accepted. Representations will only be regarded as duly made if supplied on the Representation Form or made directly via the online consultation system.

The Plan, alongside a statement setting out how representations can be made, is available online via the Councils' website ([http://www.southend.gov.uk/info/200160/local\\_planning\\_framework/483/community\\_infrastructure\\_levy\\_cil](http://www.southend.gov.uk/info/200160/local_planning_framework/483/community_infrastructure_levy_cil)) at Southend Civic Centre and in the Borough's libraries.

The quickest and easiest way to submit comments is via our online system at this link: [online interactive consultation system](#).

Comments may be submitted by selecting the relevant document then clicking on the pen symbol next to the option on which you wish to comment. Before you submit comments for the first time you will need to register on the system. This is a simple process requiring a valid email address. **If you are already registered on the online consultation system you can use the same login and do not need to re-register.**

We recommend that you also visit [www.southend.gov.uk](http://www.southend.gov.uk) to view the documents, access background information and, if required, obtain help on using the online consultation system.



## Debee Skinner

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**From:** LDF  
**Sent:** 11 July 2014 12:23  
**To:** Debee Skinner  
**Subject:** Community Infrastructure Levy (CIL) Consultation - Invite to Developers Forum  
**Attachments:** Cabinet Report from website.pdf

**Importance:** High

Dear all

### Community Infrastructure Levy Preliminary Draft Charging Schedule Consultation

I write to advise you that Southend Borough Council intends to shortly commence the first stage of consultation in relation to the Community Infrastructure Levy (CIL) pursuant to recommendations agreed by Cabinet Members on 1st July 2014 (see attached report). Therefore, Council officers would like the opportunity to meet with developers during the consultation period to provide a briefing on the documents and facilitate a discussion relating to CIL.

It is proposed to hold a Developers' Forum at the Civic Centre on **Wednesday 13<sup>th</sup> August 1.30-3pm**. Please confirm if you would like to attend.

We are also offering 20 minute 1:2:1 sessions after the initial briefing and discussion. However, there will be limited availability of these sessions so it would be much appreciated if you could confirm as soon as possible if you would like to take us up on this opportunity of an individual discussion.

Please email [ldf@southend.gov.uk](mailto:ldf@southend.gov.uk) or telephone 01702 215408 to confirm your place. Engaging with local developers is an important part of the CIL consultation process and we therefore look forward to hearing from you.

In the meantime, further information relating to CIL can be found via the following links:

<http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/>

<http://www.pas.gov.uk/community-infrastructure-levy;jsessionid=070E6972B450827CFD9266F1545C39DC>

<http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil>


Kind regards,

**Debee Skinner** | Business Intelligence Officer | **Southend-on-Sea Borough Council**

*Creating a Better Southend*

Phone: 01702 215408 | Email: [debeeskinner@southend.gov.uk](mailto:debeeskinner@southend.gov.uk) | Website: [www.southend.gov.uk](http://www.southend.gov.uk)

Department for Place | Southend on Sea Borough Council | Floor 13 Civic Centre | Victoria Avenue | Southend on Sea | SS2 6ER

 Before printing, please think about the environment.

We recognise that not everyone has access to the Internet and that it is important that no one is excluded from participating. Copies of the Representation Form are also available from Southend Civic Centre, or on request by calling 01702 215408.


Kind regards

**Debee Skinner** | Business Intelligence Officer | **Southend-on-Sea Borough Council**

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Phone: 01702 215408 | Email: [debeeskinner@southend.gov.uk](mailto:debeeskinner@southend.gov.uk) | Website: [www.southend.gov.uk](http://www.southend.gov.uk)

Department for Place | Southend on Sea Borough Council | Floor 13 Civic Centre | Victoria Avenue | Southend on Sea  
| SS2 6ER

 Before printing, please think about the environment.

## Debee Skinner

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**From:** LDF  
**Sent:** 07 August 2014 14:52  
**To:** Debee Skinner  
**Subject:** Community Infrastructure Levy Preliminary Draft Charging Schedule Consultation

**Importance:** High

Dear all

Just a reminder that there are spaces still available if you would like to attend the meeting below. We have now commenced the first stage of consultation in relation to the Community Infrastructure Levy (CIL). Therefore, Council officers would like the opportunity to meet with developers during the consultation period to provide a briefing on the documents and facilitate a discussion relating to CIL.

It is proposed to hold a Developers' Forum on

**Date: Wednesday 13<sup>th</sup> August 2014**  
**Start time: 1.30pm**  
**Location: Caxton Room at The Tickfield Centre**

Please confirm if you would like to attend.

We are also offering 20 minute 1:2:1 sessions after the initial briefing and discussion. However, there will be limited availability of these sessions so it would be much appreciated if you could confirm as soon as possible if you would like to take us up on this opportunity of an individual discussion.

Please email [ldf@southend.gov.uk](mailto:ldf@southend.gov.uk) or telephone 01702 215408 to confirm your place. Engaging with local developers is an important part of the CIL consultation process and we therefore look forward to hearing from you.

In the meantime, a link to our consultation and further information relating to CIL can be found below:

[http://www.southend.gov.uk/info/200160/local\\_planning\\_framework/483/community\\_infrastructure\\_levy\\_cil](http://www.southend.gov.uk/info/200160/local_planning_framework/483/community_infrastructure_levy_cil)

<http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/>

<http://www.pas.gov.uk/community-infrastructure-levy.jsessionid=070E6972B450827CFD9266F1545C39DC>

<http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil>

Kind regards,

**Debee Skinner** | Business Intelligence Officer | **Southend-on-Sea Borough Council**

*Creating a Better Southend*

Phone: 01702 215408 | Email: [debeeskinner@southend.gov.uk](mailto:debeeskinner@southend.gov.uk) | Website: [www.southend.gov.uk](http://www.southend.gov.uk)

Department for Place | Southend on Sea Borough Council | Floor 13 Civic Centre | Victoria Avenue | Southend on Sea | SS2 6ER

 Before printing, please think about the environment.

## Debee Skinner

---

**From:** Amanda Rogers  
**Sent:** 25 February 2015 16:01  
**To:** Debee Skinner  
**Subject:** FW: Community Infrastructure Levy (CIL) Consultation - Invite to LTC Members' Workshop  
**Attachments:** Cabinet Report from website.pdf  
**Importance:** High

---

**From:** Amanda Rogers  
**Sent:** 10 July 2014 15:43  
**To:** 'paul.beckerson@leighonseatowncouncil.gov.uk'  
**Cc:** Debee Skinner; Dean Hermitage; Peter Geraghty; Phillip McIntosh; Matthew Thomas  
**Subject:** Community Infrastructure Levy (CIL) Consultation - Invite to LTC Members' Workshop  
**Importance:** High

Dear Mr Beckerson,

### **Community Infrastructure Levy Preliminary Draft Charging Schedule Consultation: 28 July 2014 – 7 September 2014**

I write to advise you that Southend Borough Council intends to shortly commence the first stage of consultation in relation to the Community Infrastructure Levy pursuant to recommendations agreed by Cabinet Members on 1st July 2014 (see attached report). Therefore, officers would like the opportunity to meet with Members of Leigh Town Council (LTC) during the consultation period to provide a briefing on the documents and facilitate a discussion relating to how this affects the Town Council area.

Unfortunately, the timetable is very tight (for reasons explained in the Cabinet report) and therefore it is proposed to offer a LTC Member Workshop at the Civic Centre on **Thursday 14th August at 5-6.30pm**. Please let me know who you think will need to attend as I appreciate that it may not be realistic or necessary for all Members to attend. If this date or time is not suitable then please let me know as soon as possible of any alternatives and I will try and accommodate although it may be difficult.

I look forward to hearing from you.

Kind regards,

**Amanda Rogers** – Section 106 Officer (Planning) – **Southend-on-Sea Borough Council**

*Creating a Better Southend*

☎ 01702 215371 (Direct) | ✉ [amandarogers@southend.gov.uk](mailto:amandarogers@southend.gov.uk) | Department for Place | Southend-on-Sea Borough Council | 12th Floor Civic Centre, Victoria Avenue, Southend-on-Sea, Essex SS2 6ZQ | 🌐 [www.southend.gov.uk](http://www.southend.gov.uk)

♻️ **Consider the environment. Please don't print this e-mail unless you really need to.**

Safe – clean – healthy – prosperous – excellent – Creating a better Southend

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## Representation Form

# Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule

This form has two parts -

Part A - Personal Details

Part B - Your representation(s)

**Please fill in a separate sheet for each representation you wish to make.**

### Part A

**Personal Details** - if an agent is appointed, please only complete Title, Name & Organisation boxes below but complete the full contact details of the agent.

### Agent Details (if applicable)

Title

First Name

Surname

Job Title\*

Organisation\*

Address line 1

Address line 2

Address line 3

Address line 4

Postcode

Telephone No

Email Address\*

\* where relevant



**Part B - Please use a separate sheet for each representation outlining the relevant question and page number.**

**I. To which part of the CIL does this representation relate?**

Question

Page

continue on a separate sheet if necessary

Signature

Date

# CIL Consultees July 2014

## Organisation

Firstplan  
Shire Consulting  
Barton Willmore Planning  
Planning Potential  
Bell Cornwell  
Chart Plan (2004) Ltd  
Graham Jolley Ltd  
DPP LLP  
Hampton Crest Ltd  
Andrew Martin Associates  
Qinetiq  
London Southend Airport  
Iceni Projects Ltd  
Hobbs Parker Property Consultants LLP  
DPP  
Planning Perspectives LLP  
MOA (Mobile Operators Association)  
Hanson Quarry Products  
Indigo Planning  
Southend Properties (Guernsey) Ltd  
Stock Woolstencroft Architecture and Urban  
Smart Planning Ltd  
CPREssex  
Aldi Foodstore Ltd  
Phase 2 Planning and Development  
Moat Homes  
Hobbs Parker  
Strutt & Parker LLP  
Crest Nicholson  
Fusion Online Ltd  
Planware Ltd  
Estuary Housing Association  
NHS England, Essex Area Team,  
ACS Designs  
Alan Shaw Architects  
Bernard Gooding Associates Building Design Associates  
Clark Partnership Country & Metropolitan Home  
David Turner Design  
DC Planning  
Design Works  
Robert Leonard Partnership  
Ergo Planning Landmark Planning UK Estuary  
Invent ID  
Lap Architects  
MHS Projects  
Marcus Bennett Associates  
Tim Knight Architects  
McCarthy Stone  
Space Consultants

New World Designers Nick  
The Draughtsman Nigel  
Charter Projects  
NPS Group  
Healey & Baker  
Royal Mail Group Property  
DPDS Consulting Group  
Home Builders Federation (HBF)  
Drivas Jonas  
George Wimpey East London  
ACS Designs  
China Corp  
AMEC Environment & Infrastructure UK LtdMVA Ltd  
Fuller Perser  
Waitrose Ltd  
Gladedale HomesDonaldsons Chartered Surveyors  
Chesterton Plc  
Peacock and Smith Chartered Town Planning  
Persimmon Homes (Essex) Ltd  
GVA Grimley  
Gerald Eve Chartered Surveyors  
Nathaniel Lichfield & Partners  
David Walker Chartered Surveyors  
QinetiQ  
Redrow Homes (Eastern) Ltd CAA Safety Regulation Group Anglian Water Services  
Colliers CRE  
Anthony Bowhill Planning & Development  
Fairview Homes Plc  
J.C Gibb Chartered Surveyors  
Alfred McAlpine Developments Limited  
Adams Holmes Associates  
London Southend Airport  
Higgins Homes  
Bellway Homes  
Tetlow King Planning  
Barratt Eastern Counties  
Jonas Property Consultants  
Januaries  
Carpenter Planning Consultants  
Charles Planning Associates Mobile Operators Association Bovis Homes  
McCarthy & Stone Developments Ltd  
Fenn Wright  
CgMs Consulting  
Smith Stuart Reynolds Town Planners & Developers  
Barrett Homes  
Weston Homes  
Graham Jolley Planning  
RCMK  
Sime Solutions  
Architectural Services  
Churchill Retirement Living Sandhurst New Homes  
Randall Watts Construction  
Dove Jeffery Homes  
County Mediation Ltd



The Planning Bureau Ltd  
Indigo Planning Ltd  
DLP Planning Ltd  
Dialogue Communicating Planning  
Cluttons LLP  
King Sturge  
Roger Tym and Partners  
Bidwells  
Stewart Ross Associates  
Lidl UK Ltd  
Savills Commercial Limited  
Burnett Planning and Development Ltd  
Gerald Eve  
BUPA Wellesley Hospital  
c2c Rail & National Express East Anglia  
Chestergate Estates Ltd  
Dedman Property Services  
Fisher Wilson  
Forrester Hyde  
The Victoria Shopping Centre  
Grosvenor Consulting  
Sainsburys Supermarkets  
Stockdale Group of Companies  
Tesco Stores Ltd  
Town Centre Partnership  
Churchill Retirement Living  
Cogent Land LLP  
Sandhurst New Homes  
Randall Watts Construction  
Dove Jeffery Homes Ltd

# LDF 2010 - Specific Consultees (ALL)

## Organisation

Aldi Foodstore Ltd

AMEC Environment & Infrastructure UK Ltd

Anglian Water Services

Arriva Southern Counties

Arriva Southern Counties Ltd

Barling Magna Parish Council

Basildon Borough Council

BUPA Wellesley Hospital

c2c Rail & National Express East Anglia

CAA Safety Regulation Group

Castle Point Borough Council

CPREssex

Dartford Borough Council

Defence Estate East

Defence Infrastructure Organisation

East of England Ambulance Service

East Of England Development Agency

English Heritage East of England

Environment Agency

Environment Agency

Essex Chambers of Commerce - South Essex Office

Essex Council Council

Essex County Council

Essex County Council

Essex County Council

Essex County Council

Essex Fire & Rescue Service HQ

Essex Police

Essex Police (Southend Division)

## Organisation

Essex Police Community Safety Dept

Essex Police, Headquarters

Essex Wildlife Trust

First Essex Buses Ltd

Foulness Parish Council

Friends, Families & Travellers & Travellers Law Reform Project Community Base

Great Wakering Parish Council

H M Customs & Excise

Highways Agency

Highways Agency

Highways Agency (Network Strategy)

Hockley Parish Council

Leigh Town Council

Leigh Town Council

London Southend Airport

Mobile Operators Association

Natural England

Natural England Consultation Service

QinetiQ

Rochford District Council

Rochford Parish Council

South East Local Enterprise Partnership

Southend University Hospital NHS Foundation Trust

SPORT ENGLAND

Thames Gateway South Essex Partnership Ltd

The National Federation of Gypsy Liaison Groups

The National Trust

The Planning Inspectorate

The Society for the Protection of Ancient Buildings

Thurrock Council







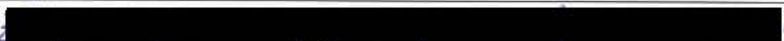
Thurrock Unitary Council

Town Centre Partnership

Traveller Law Reform

**Southend on Sea Borough Council  
Developers' Forum - CIL Consultation  
13<sup>th</sup> August 2014**

**Attendance List**

Name	Company and Address	Telephone No.
Emma Gladwin	Smart Planning Ltd. Old School House Rettendon Turnpike Battlesbridge SS11 7AL	
Email address:		
Keith Blackburn	Essex County Council County Hall Market Road, Chelmsford CM1 1QH	
Email address:		
Sue Goss	SBC	
Email address:		
Ziyad Thomas	THE PLANNING BUREAU HOMELIFE HOUSE 26-32 OXFORD ROAD BOURNEMOUTH BH8 8EZ	
Email address:		
Email address:		
Email address:		



## Community Infrastructure Levy (CIL), Planning Obligations (S.106) and Viability

Presentation to Leigh Town Council Members  
by  
Amanda Rogers (Section 106 & CIL Officer)  
14<sup>th</sup> August 2014

### Aim of Briefing

- Overview of CIL and Section 106
- Update on CIL – where are we?
- Issues for LTC

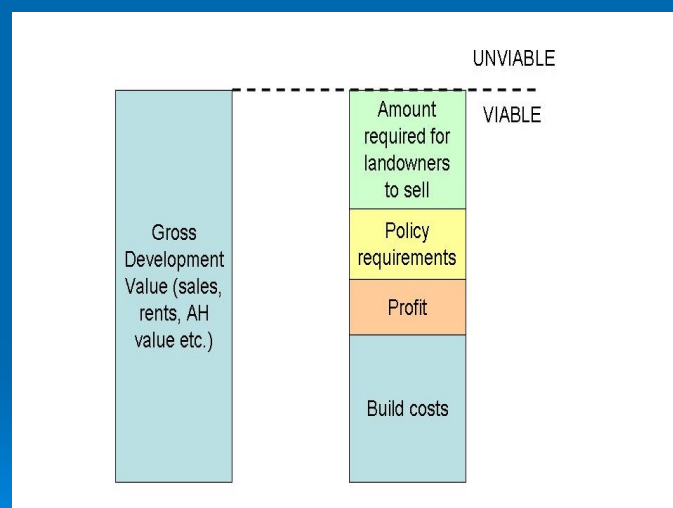


## What is CIL?

- CIL Regulations 2010 (as amended)
- £/sqm charge on new development
- Spent on new or improved infrastructure within the borough to support growth (e.g. roads, flood defences, schools, parks etc.)
- Regulation 123 Infrastructure List
- Standard mandatory exemptions
- Rates can vary by geographic area or use or scale of development but in all instances must be based on viability evidence (NOT policy objectives)



## Viability



## Why set a CIL?



- To continue to secure contributions from developers for all types of infrastructure
- To ensure smaller developments make a fair contribution
- To help meet our infrastructure requirements
- To provide transparency and consistency for developers



## S.106 planning obligations

- Legal agreement between developer and local authority to make acceptable development which would otherwise be unacceptable in planning terms
- S.106 is NOT replaced by CIL
- S.106 will continue with planning obligations being secured for site specific mitigation measures and affordable housing





# CIL: Stages to Adoption

1. **Preliminary Draft Charging Schedule (PDCS) 6 week Consultation:** 28 July – 8 September 2014
2. **Preparing for consultation on Draft Charging Schedule (DCS) and associated documents:** October 2014
3. **DCS 6 week Consultation:** Nov/Dec 2014
4. **Submission Version Charging Schedule:** December 2014
5. **Submit documentation for examination:** Jan 2015
6. **Examination:** March 2015
7. **Examiner's report issued:** April 2015
8. **Commence charging CIL by end of June 2015**



# CIL consultation documents

- Documents available at:  
[www.southend.gov.uk/info/200160/local\\_planning\\_framework/483/community\\_infrastructure\\_levy\\_cil](http://www.southend.gov.uk/info/200160/local_planning_framework/483/community_infrastructure_levy_cil)
- Preliminary Draft Charging Schedule (PDCS)
- Infrastructure Delivery Plan (IDP)
- Viability Study & Addendum
- Evidence to support CIL also includes Core Strategy 2007

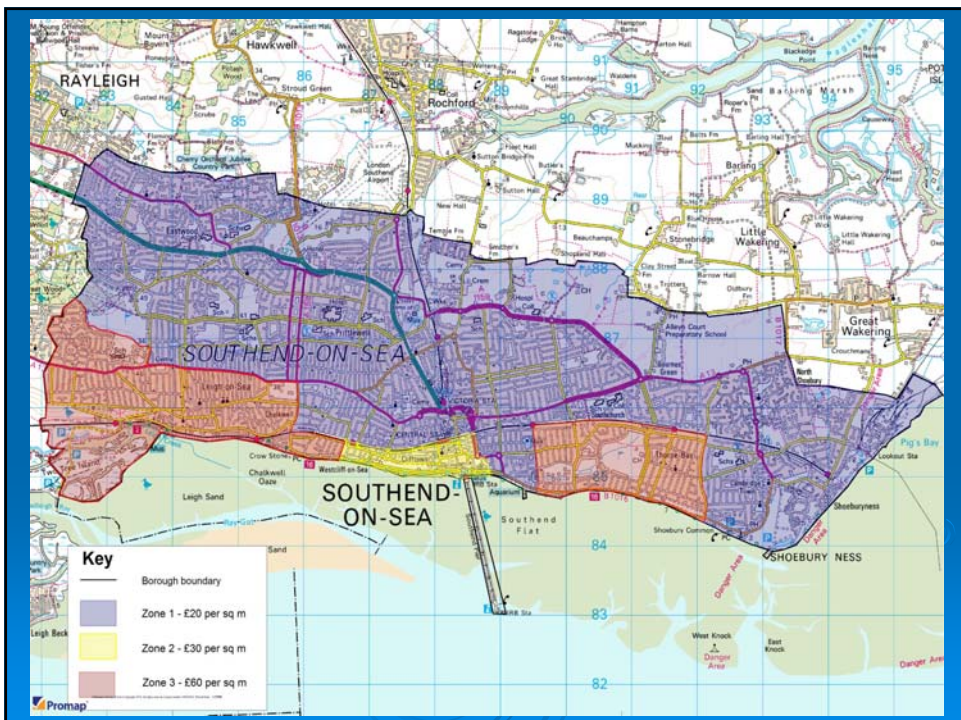


# Proposed Rates for Southend

Development type	Proposed CIL rate
Residential (Class C3 and C4) – Zone 1 (Market areas 1-5)	£20
Residential (Class C3 and C4) – Zone 2 (Market area 6)	£30
Residential (Class C3 and C4) – Zone 3 (Market areas 7 and 8)	£60
Extra care and retirement housing (see below for definition)	£20
Convenience based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres)	£70
Development by a predominantly publicly funded or 'not for profit' organisation (see below for definition) including medical and health services, social care, education, emergency services, waste facilities, community facilities, sport and leisure facilities only	£0
All other uses not cited above	£10

Definition of **'extra care and retirement housing'**: Housing within Class C3 which is purpose built or converted for sale to elderly people with a package of estate management and care services as necessary and which consists of grouped, self-contained accommodation with communal facilities. These premises often have emergency alarm systems and/or wardens. These properties would not provide the same level of care as residential care homes (Class C2) where residents do not live in self-contained accommodation.

Definition of **'not for profit organisation'**: An organisation that does not earn profits for its owners but conducts business for the benefit of the general public; all the money earned by or donated to the organisation is used in pursuing the organisation's objectives.



# Questions?



## How affects LTC?

- 15% of CIL receipts within LTC area
- To be spent within 5 years of receipt on:
  - “supporting the development of the local council's area, or any part of that area, by funding –
  - (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
  - (b) anything else that is concerned with addressing the demands that development places on an area.” *Regulation 59C*
- LTC CIL Annual Report



## The Outcome

- CIL introduced in June 2015
- Based on proposed rates, CIL could contribute up to £428,000 a year to infrastructure funding
- Based on development patterns over the last few years, approx. £5,000/year CIL receipts could be allocated to LTC



## Questions?



## Contact Details:

Amanda Rogers  
S106 & CIL Officer  
[amandarogers@southend.gov.uk](mailto:amandarogers@southend.gov.uk)  
Tel: 01702 215371

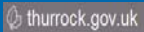




Replies to consultation: Online consultation  
system or [ldf@southend.gov.uk](mailto:ldf@southend.gov.uk)



Slides if asked.....

## Different rates for different authorities

The proposed rates compare to other authorities in Essex as follows:

 <a href="http://thurrock.gov.uk">thurrock.gov.uk</a>	Residential £0/£38 in two zones; Commercial £0/£25/£150 in two zones
	No published CIL documents to date <i>N.B. Very limited brownfield development opportunities so unless developing on Green Belt, developers unlikely to be pushed from Southend to Rochford as a result of CIL</i>
	Residential £30/£120 in two zones; Retail £40/£60/£140 in three zones
	Residential £120; Retail £90 comparison, £240 convenience
	Residential £125; Retail £150 convenience, £87 other retail

## Strike the Appropriate Balance

Between

- the desirability of funding the infrastructure gap to support the development of the area from CIL

and

- the potential effects (taken as a whole) of the imposition of CIL upon the economic viability of development across the area



## Community Infrastructure Levy (CIL), Planning Obligations (S.106) and Viability

Presentation to Developers Forum  
by

Amanda Rogers (Section 106 & CIL Officer)  
and Anthony Lee (BNP Paribas Real Estate)  
13<sup>th</sup> August 2014

### Aim of Briefing

- Overview of CIL and its relationship with Section 106
- Update on CIL – where are we?
- Opportunity for developers to ask questions about CIL consultation documents



## What is CIL?

- Levy on new developments to support growth
- Based on CIL Regulations 2010 (as amended)
- Spent on new or improved infrastructure within the borough (e.g. roads, flood defences, schools, parks etc.)
- Regulation 123 Infrastructure List – list of infrastructure projects or types of infrastructure that will be, or may be, wholly or partly funded by CIL



## What is CIL? (cont'd)

- £/sqm charge on net additional (internal) floorspace over 100sqm
- Standard mandatory exemptions including affordable housing, development <100sqm, self-builders, residential annexes and extensions, and charities
- Rates can vary by geographic area or use or scale of development but in all instances must be based on viability evidence (NOT policy objectives)





## Why set a CIL?



- To continue to secure contributions from developers for all types of infrastructure
- To ensure smaller developments make a fair contribution
- To help meet our infrastructure requirements
- To provide transparency and consistency for developers



## S.106 planning obligations

- S.106 is NOT replaced by CIL
- For pooled contributions up to April 2015/CIL adoption, then for up to 5 developments where infrastructure not funded by CIL
- S.106 will continue with planning obligations being secured for site specific mitigation measures and affordable housing



# CIL: Stages to Adoption

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# CIL consultation documents

- Documents available at:  
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- Preliminary Draft Charging Schedule (PDCS)
- Infrastructure Delivery Plan (IDP)
- Viability Study & Addendum
- Evidence to support CIL also includes Core Strategy 2007



# Infrastructure Delivery Plan

## Key findings:

- Total cost of infrastructure to support growth 2015-21 = £203m
- Total funding from known sources at this point in time = £100m
- Infrastructure funding gap for 2015-2021 = £103m



# Questions?

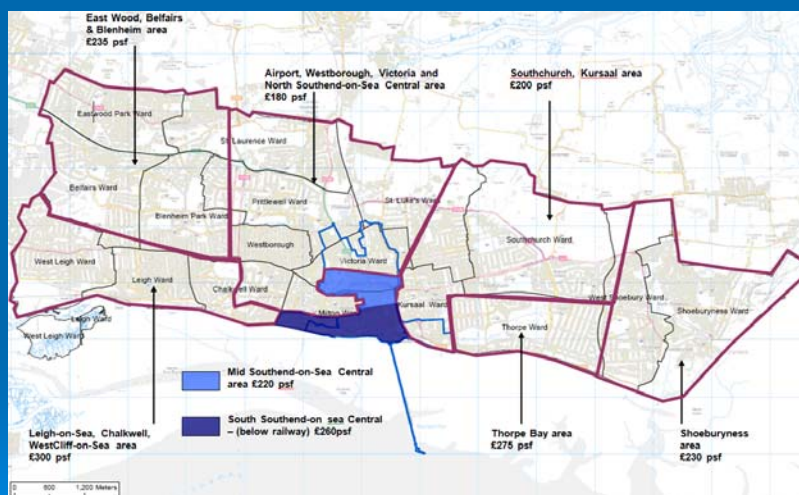


# Viability Study

- Residual value approach
- A range of developments tested reflecting local plan
- Other planning requirements reflected (incl. affordable housing)
- CIL not to be set at margins of viability
- Key decision – zonal approach or single rate



# Residential values



## Maximum and proposed rates

Market Areas	Maximum CIL indicated by appraisals (£s per sqm)	CIL after buffer (£s per sqm)	Suggested three Zone Approach to CIL (£ per sq m)	Alternative suggested three Zone Approach to CIL (£ per sq m)	Suggested two Zone Approach to CIL (£ per sq m)
1 - North central area, Airport, Westborough, Victoria and Prittlewell	N/A	Nominal rate of around £20	ZONE 1 £10	ZONE 1 £20	ZONE 1 £20
2 - Southchurch	N/A	Nominal rate of around £20	ZONE 1 £10	ZONE 1 £20	ZONE 1 £20
3 - Mid central area	N/A	Nominal rate of around £20	ZONE 1 £10	ZONE 1 £20	ZONE 1 £20
4 - Shoeburyness	£30	£21	ZONE 2 £20	ZONE 1 £20	ZONE 1 £20
5 - Eastwood, Belfairs and Blenheim	£30	£21	ZONE 2 £20	ZONE 1 £20	ZONE 1 £20
6 - South central area (below railway)	£50	£35	ZONE 3 £40	ZONE 2 £30	ZONE 2 £40
7 - Thorpe Bay	£80	£56	ZONE 3 £40	ZONE 3 £60	ZONE 2 £40
8 - Leigh-on-Sea and Chalkwell	£100	£70	ZONE 3 £40	ZONE 3 £60	ZONE 2 £40



## Proposed Rates for Southend

Development type	Proposed CIL rate
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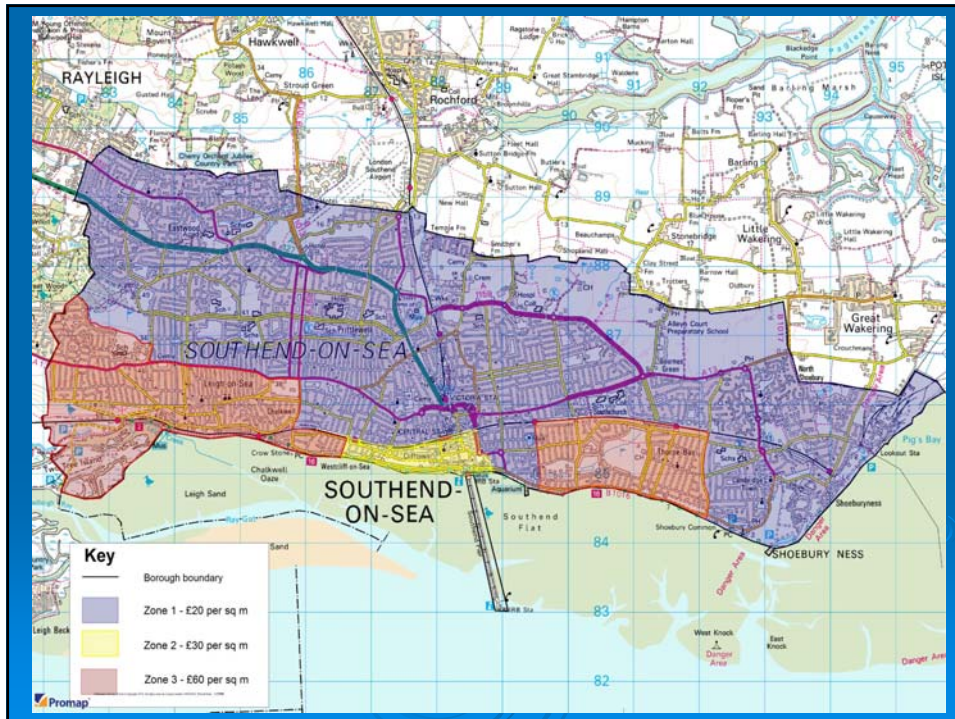
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Definition of 'not for profit organisation': An organisation that does not earn profits for its owners but conducts business for the benefit of the general public; all the money earned by or donated to the organisation is used in pursuing the organisation's objectives.



# CIL rates in context

CIL Market Areas	Maximum CIL (£s per sqm) <sup>2</sup>	Suggested Alternative Three Zone Approach		
		Suggested CIL (£s per sqm)	Suggested CIL as % of maximum viable rate	Suggested CIL as % of Gross Development Value <sup>3</sup>
Area 1	N/A	Nominal rate of around £20	N/A	1.2%
Area 2	N/A	Nominal rate of around £20	N/A	1.1%
Area 3	N/A	Nominal rate of around £20	N/A </td <td>1.0%</td>	1.0%
Area 4	£30	£20	67%	0.9%
Area 5	£30	£20	67%	0.9%
Area 6	£50	£30	60%	1.1%
Area 7	£80	£60	75%	2.1%
Area 8	£100	£60	60%	2.0%



# Questions?



## Contact Details:

Amanda Rogers

S106 & CIL Officer

[amandarogers@southend.gov.uk](mailto:amandarogers@southend.gov.uk)

Tel: 01702 215371

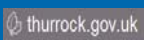




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Slides if asked.....

## Different rates for different authorities

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# Strike the Appropriate Balance

Between

- the desirability of funding the infrastructure gap to support the development of the area from CIL

and

- the potential effects (taken as a whole) of the imposition of CIL upon the economic viability of development across the area





## Appendix 2: Copy of Community Infrastructure Levy (CIL) Draft Charging Schedule Consultation Material (November 2014 – December 2014)

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### Contents

Consultation letter dated October 2014  
Consultation letter to Library  
General Consultation email  
Specific Consultee list  
General Consultee list  
Consultees from Round 1  
Representation Form  
Statement of Representations Procedure  
Copy of Public Notice in Evening Echo Newspaper  
Copy of Public Notice in Standard Recorder Newspaper

# Southend-on-Sea Borough Council

## Department for Place

### Head of Planning and Transport – Peter Geraghty

Our ref: TP/100/471/2/ds

Telephone: 01702 215408

Your ref:

Date: 31 October 2014

E-mail: debeeskinner@southend.gov.uk

Contact Name: D Skinner

DX 2812 Southend

Dear Sir/ Madam

## **Southend-on-Sea Community Infrastructure Levy (CIL) – Draft Charging Schedule and Supplementary Planning Document 2 (SPD2): Planning Obligations**

The Council is inviting representations on its CIL Draft Charging Schedule (including a draft Regulation 123 Infrastructure List, draft CIL Instalment Policy and draft CIL Payment in Kind and Infrastructure Payments Policy) and associated evidence from **Monday 3 November 2014 to Monday 15 December 2014**. The Council is also inviting representations on a revised **Supplementary Planning Document 2 (SPD2): Planning Obligations** during the same period.

Following the consultation period the Council intends to submit the CIL Draft Charging Schedule for examination.

In accordance with the Regulations, Southend Borough Council has made available for consultation:

- Southend Borough Council CIL Draft Charging Schedule
- Relevant evidence to support the Southend Borough Council CIL Draft Charging Schedule
- This Statement of Representations Procedure

Persons making representations may request the right to be heard by the examiner and any representation may be accompanied by a request to be notified at a specified address of any of the following:

- submission of the Draft Charging Schedule to the Examiner
- publication of the recommendations of the examiner and reasons for those recommendations
- the adoption of the final Charging Schedule by Southend Borough Council

The Plan, alongside a statement setting out how representations can be made, is available online via the Councils' website ([www.southend.gov.uk/developmentmanagementdpd](http://www.southend.gov.uk/developmentmanagementdpd)) at Southend Civic Centre and in the Borough's libraries.

The quickest and easiest way to submit comments is via our online system at this link: <http://southend.jdi-consult.net/>.

Comments may be submitted by selecting the relevant document then clicking on the pen symbol next to the option on which you wish to comment. Before you submit comments for



Corporate Director for Place : Andrew Lewis  
Civic Centre : Victoria Avenue : Southend-on-Sea : Essex SS2 6ER  
Customer Contact Centre: 01702 215000 : [www.southend.gov.uk](http://www.southend.gov.uk)



the first time you will need to register on the system. This is a simple process requiring a valid email address. **If you are already registered on the online consultation system you can use the same login and do not need to re-register.**

We recommend that you also visit [www.southend.gov.uk](http://www.southend.gov.uk) to view the documents, access background information and, if required, obtain help on using the online consultation.

We recognise that not everyone has access to the internet and that it is important that no one is excluded from participating. If you wish to submit your views on any of the documents out on consultation but are unable to do so online, or would like a hard copy version please contact 01702 215408.

Yours faithfully

Debee Skinner  
Business Intelligence Officer

# Southend-on-Sea Borough Council

Department for Place

Head of Planning and Transport – Peter Geraghty

Our ref: TP/100/471/2/ds

Telephone: 01702 215408

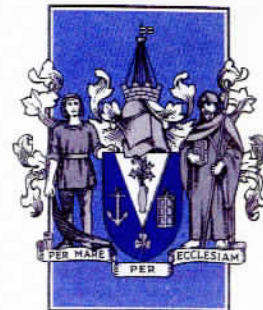
Your ref:

Date: 31 October 2014

E-mail: debeeskinner@southend.gov.uk

Contact Name: D Skinner

DX 2812 Southend



Dear Sir/ Madam

## Community Infrastructure Levy (CIL) Draft Charging Schedule and Planning Obligations (SPD2) Consultation

In the past, you have been most helpful in making our other Local Development Framework documents available for public inspection at your premises. I am therefore writing to request your assistance once again by making the enclosed documents available for public inspection and reference.

The documents included are

- Draft Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule
- CIL Representation Form
- Statement of Representations Procedure – Regulation 16
- Community Infrastructure Levy (CIL) - Overview Report
- Community Infrastructure Levy (CIL) – Equality Analysis
- Planning Obligation: A Guide to Section 106 and Developer Contributions (SPD2)
- Representation Form SPD2

I hope that is all in order and thank you for your assistance.

Yours faithfully

Debee Skinner  
Business Intelligence Officer

## Debee Skinner

---

**From:** LDF  
**Sent:** 03 November 2014 16:01  
**To:** Debee Skinner  
**Subject:** Have Your Say – Community Infrastructure Levy (CIL): Draft Charging Schedule and Supplementary Planning Document 2 (SPD2): Planning Obligations

**Importance:** High

Dear Sir/Madam,

### **Have Your Say – Community Infrastructure Levy (CIL) – Draft Charging Schedule and Supplementary Planning Document 2 (SPD2): Planning Obligations**

The Council is inviting representations on its CIL Draft Charging Schedule (including a draft Regulation 123 Infrastructure List, draft CIL Instalment Policy and draft CIL Payment in Kind and Infrastructure Payments Policy) and associated evidence from **Monday 3 November 2014 to Monday 15 December 2014**. The Council is also inviting representations on a revised **Supplementary Planning Document 2 (SPD2): Planning Obligations** during the same period.

Following the consultation period the Council intends to submit the CIL Draft Charging Schedule for examination.

In accordance with the Regulations, Southend Borough Council has made available for consultation:

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- Relevant evidence to support the Southend Borough Council CIL Draft Charging Schedule
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- Leigh Town Council Offices, 67 Elm Road, Leigh-on-Sea SS9 1SP  
01702 716288
- All local libraries in Borough.

Representations on the Draft Charging Schedule and Planning Obligations SPD2 must be received **no later than 5pm Monday 15 December 2014**.

The quickest and easiest way to submit comments on the proposed main modifications is via our online system at this link: <http://southend.jdi-consult.net/ldf/index.php?>

Comments may be submitted by selecting the relevant document then clicking on the pen symbol next to the proposed main modification on which you wish to comment. Before you submit comments for the first time you will need to register on the system. This is a simple process requiring a valid email address. **If you have already registered on the online consultation system you can use the same login and do not need to re-register.**

We recommend that you also visit [www.southend.gov.uk/cil](http://www.southend.gov.uk/cil) to view more information on the documents, access background information and, if required, obtain help on using the online consultation system.

Alternatively you can comment by e-mail at: [ldf@southend.gov.uk](mailto:ldf@southend.gov.uk)

We recognise that not everyone has access to the internet and that it is important that no one is excluded from participating. If you wish to submit your views on the any of the documents out on consultation but are unable to do so online, or would like hard copy version please contact 01702 215408.


Kind regards

**Debee Skinner** | Business Intelligence Officer | **Southend-on-Sea Borough Council**

*Creating a Better Southend*

Phone: 01702 215408 | Email: [debeeskinner@southend.gov.uk](mailto:debeeskinner@southend.gov.uk) | Website: [www.southend.gov.uk](http://www.southend.gov.uk)

Department for Place | Southend on Sea Borough Council | Floor 13 Civic Centre | Victoria Avenue | Southend on Sea | SS2 6ER

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# LDF - Specific Consultees (ALL)

## Organisation

Aldi Foodstore Ltd

AMEC Environment & Infrastructure UK Ltd

Anglian Water Services

Arriva Southern Counties

Arriva Southern Counties Ltd

Barling Magna Parish Council

Basildon Borough Council

BUPA Wellesley Hospital

c2c Rail & National Express East Anglia

CAA Safety Regulation Group

Castle Point Borough Council

CPREssex

Dartford Borough Council

Defence Estate East

Defence Infrastructure Organisation

East of England Ambulance Service

East Of England Development Agency

English Heritage East of England

Environment Agency

Environment Agency

Essex Chambers of Commerce - South Essex Office

Essex Council Council

Essex County Council

Essex County Council

Essex County Council

Essex Fire & Rescue Service HQ

Essex Police

Essex Police (Southend Division)

Essex Police Community Safety Dept

## Organisation

Essex Police, Headquarters

Essex Wildlife Trust

First Essex Buses Ltd

Foulness Parish Council

Friends, Families & Travellers & Travellers Law Reform Project Community Base

Great Wakering Parish Council

H M Customs & Excise

Highways Agency

Highways Agency

Highways Agency (Network Strategy)

Hockley Parish Council

Leigh Town Council

Leigh Town Council

London Southend Airport

MOA (Mobile Operators Association)

Mobile Operators Association

Natural England

Natural England Consultation Service

NHS England, Essex Area Team,

Resident Association Watch

Rochford District Council

Rochford Parish Council

South East Local Enterprise Partnership

Southend University Hospital NHS Foundation Trust

SPORT ENGLAND

The National Federation of Gypsy Liaison Groups

The National Trust

The Planning Inspectorate

The Society for the Protection of Ancient Buildings

Thurrock Council

Thurrock Unitary Council

Town Centre Partnership

Traveller Law Reform

# LDF - General Consultees (ALL)

## Organisation

A W Squier Ltd

AC Taxis

Age Concern

Arriva Southern Counties Ltd

Association of Jewish Refugees

Barton Wilmore

Belfairs Gardens Residents Association

Belfairs Gardens Residents Association

Braintree District Council

BRE Global

Brentwood Borough Council

British Hardware Federation

British Horse Society

Burges Estate Residents Association (BERA)

Bus & Rail User Group

c2c Rail

Campaign to Protect Rural Essex (CPREssex)

Canewdon Parish Council

Chalkwell Ward Residents Association

Chart Plan (2004) Ltd

Chelmsford Borough Council

COBRA (Coalition of Borough Residents Associations)

Conservation Association Westcliff Seaboard

County Hotel

CPRE Southend Area

Crest Nicholson

Crime Prevention Panel (Leigh)

Crown Estate Office

## Organisation

Cycling Touring Club (CTC)

Darby & Joan Organisation

DIAL Southend

English Sports Council (East)

Essex & Suffolk Water

Essex Amphibian & Reptile Group

Essex Badger Protection Group

Essex Biodiversity Project

Essex Bridleways Association

Essex Racial Equality Council

Essex Wildlife Trust

Essex Wildlife Trust - Southend and Rochford Group

Estuary Housing Association

Ethnic Minority Forum

Federation of Small Businesses

Fusion Online Ltd

GreenKeeper

Hamlet Court Road Business Association

Hamlet Court Road Business Association

Hanson Quarry Products

Harlow District Council

Hawkwell Parish Council

Heaton Planning

Herbert Grove Residents Association

Hindu Association (Southend & District)

Hobbs Parker

Home Builders Federation (HBF)

Horse Owners and Riders (SE Essex)

Hullbridge Parish Council

Iceni Projects

Iceni Projects Ltd

Iceni Projects Ltd

Indigo Planning

IPECO

## Organisation

J.C Gibb Chartered Surveyors

Januarys

John Grooms Association

Kent County Council

Lambert Smith Hampton

Lancashire Digital Technology Centre

Landmark Town Planning Group

Leigh Cliff Association

Leigh Seafront Action Group

Leigh Society

Leigh Traders Association

Leigh-on-Sea Crime Prevention Panel

Lidl UK Ltd

Maldon District Council

Milton Community Partnership

Milton Conservation Society

Milton Conservation Society

Moat Homes

National Express East Anglia

National Federation for the Blind

National Rivers Authority Anglian Region

Network Rail (Town Planning Team)

Network Rail Property

NIBS

North Crescent & Feeches Rd Residents Association

Older Peoples Federation

Olympus KeyMed

OPA

Paglesham Parish Council

Parklife

Pebbles 1

Persimmon Homes (Essex) Ltd

Peter Harris Associates

Phase 2 Planning and Development

## Organisation

Planning Perspectives LLP

Planning Perspectives LLP

Planning Perspectives LLP

Planning Potential

Planware Ltd

Port of London Authority

Powergen Plc

Prospects College

Qinetiq

Ramblers Association (Southend Unitary Authority)

Rayleigh Town Council

Residents Association of Westborough (RAW)

RIBA South East Chapter

Royal Association For Deaf People (RAD)

Royal Bank of Scotland (RBS)

Royal Mail Group Property

Royal National Lifeboat Institution - Southend Branch

SAEN

Sanctuary Group

Shoebury Residents Association

Shoebury Society

Shoebury Traders Association

Smart Planning Ltd

Smart Planning Ltd

Society for the Protection of Undercliff Gardens

SOS Domestic Abuse Projects

South East Essex Archaeological Society

South East Essex Archaeological and Historical Society

South East Essex College

South East Essex Friends of the Earth

South Essex Area Health Authority

South Essex Natural History Society

South Westcliff Community Group

Southend & District Aid Society

## Organisation

Southend & District Pensioners Campaign

Southend & Leigh Fishermans Association

Southend & Surrounds Cycling Campaign

Southend Adult Community College

Southend and Westcliff Hebrew Congregation

Southend Animal Aid

Southend Area Bus Users Group

Southend Association of Voluntary Services

Southend Blind Welfare Organisation

Southend Hospital NHS Trust

Southend Islamic Trust

Southend Mencap

Southend Mind

Southend Ornithological Group

Southend Primary Care Trust (PCT)

Southend Properties (Guernsey) Ltd

Southend Sports Council & Southend Wheelers Cycling Club

Southend Taxi Drivers Association

Southend Tenants and Residents Federation

Southend Town Centre Business Group

Southend University Hospital

Southend Wheelers

Southend YMCA

Southend Youth Council

Southend-on-Sea Arts Council

Southend-on-Sea Guild of Help and Citizens Advice Bureau

Southend-on-Sea Sports Council

Sport England East

SSA Planning

St. Matthew's Christian Spiritualist Church (1999) Ltd.

Stambridge Parish Council

Stephensons of Essex

Stewart Ross Associates

Stock Woolstencroft Architecture and Urbanism

## Organisation

Stockdale Group of Companies

Strutt and Parker

SUSTRANS Essex

Sutton Parish Council

Tarmac Southern Ltd

Tattersall Gardens Residents Group

Tendring District Council

Terence O'Rourke

Tesco Stores Ltd

Tetlow King Planning

Thames Gateway South Essex Partnership Ltd

Thames Water Property Services

The Guinness Trust

The Planning & Development Partnership

The Planning Bureau Ltd

The Salvation Army Leigh on Sea

The Southend Pier Museum Trust Ltd

The Southend Society

The Theatres Trust

The Victoria Shopping Centre

Tolhurst House Residents Association

Trust Links

University of Essex Southend

University of Essex Southend

Uttlesford District Council, Planning Department

Waitrose Ltd

West Leigh Residents Association

West Leigh Residents Association

Westborough Neighbourhood Action Panel

Westcliff & Leigh Neighbourhood Watch



## **Consultees from Preliminary Draft Charging Schedule.**

These are those that made actual representations to the first round and were invited to submit on round two.

Savills on behalf of Roots Hall

Savills on behalf of Cogent Land LLP

McCarthy and Stone Retirement Lifestyles Ltd

Sport England

Leigh Town Council

Essex County Council

Anglian Water

Natural England

Highways Agency

NHS England Essex Area Team

## Representation Form

# Community Infrastructure Levy (CIL) Draft Charging Schedule

This form has two parts -

Part A - Personal Details

Part B - Your representation(s)

**Please fill in a separate sheet for each representation you wish to make.**

### Part A

**Personal Details** - if an agent is appointed, please only complete Title, Name & Organisation boxes below but complete the full contact details of the agent.

### Agent Details (if applicable)

Title

First Name

Surname

Job Title\*

Organisation\*

Address line 1

Address line 2

Address line 3

Address line 4

Postcode

Telephone No

Email Address\*

\* where relevant



**Part B - Please use a separate sheet for each representation outlining the relevant question and page number.**

**I. To which part of the CIL does this representation relate?**

Question

Page

continue on a separate sheet if necessary

Signature

Date

**Consultation on Community Infrastructure Levy (CIL)  
Draft Charging Schedule  
Statement of Representations Procedure Regulation 16**

**Planning Act 2008 (as amended)  
Community Infrastructure Levy Regulations 2010 (as amended)**

Southend Borough Council has published for inspection the Southend Borough Council Community Infrastructure Levy (CIL) Draft Charging Schedule. This draft charging schedule, together with this Statement of Representations have been prepared in accordance with the CIL Regulations 2010 (as amended) and Planning Act 2008 (as amended).

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01702 716288

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[ldf@southend.gov.uk](mailto:ldf@southend.gov.uk)

or by post to:

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**Public Notices**



**Consultation on Community Infrastructure Levy (CIL) Draft Charging Schedule Statement of Representations Procedure Regulation 16**  
 Planning Act 2008 (as amended)  
 Community Infrastructure Levy Regulations 2010 (as amended)

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**MARINE AND COASTAL ACCESS ACT 2009 APPLICATION FOR THE CONSTRUCTION OF A LAGOON AND TOILET BLOCK, SOUTHEND-ON-SEA.**

Notice is hereby given that Southend on Sea Borough Council has applied to the Marine Management Organisation under the Marine and Coastal Access Act 2009, Part 4, for a marine licence to undertake the construction of a lagoon and toilet block, Southend on Sea. Plans showing the position of the works may be inspected at the Contact Centre, Civic Centre,

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# Public Notices



## Public Notices

### Essex County Council

#### (St Clements Road & Selbourne Road, Benfleet) (Temporary Prohibition of Use) Order 2014

**Further to the notices:** Under section 14(2) of the Road Traffic Regulation Act 1984, which commenced on 3 November 2014.

**Notice is hereby given** that the Essex County Council has made the above Order under Section 14 (1) of the Road Traffic Regulation Act 1984.

**Effect of the order:** to temporarily close that length of St Clements Road & Selbourne Road, Benfleet, in the Borough of Castle Point as follows:

Road	Description	Alternative Route
St Clements Road, Benfleet	From its junction with A13 London Road, south for a distance of approximately 10 metres.	Lea Road – Stanway Road – A13 London Road and vice versa.
Selbourne Road, Benfleet	From its junction with A13 London Road, north for a distance of approximately 10 metres.	Chesterfield Avenue – Manor Road – A13 London Road and vice versa.

The closures are scheduled to commence on 8 November 2014 for 2 weeks or where appropriate signs are showing and weather permitting, and are required for the safety of the public and workforce while gas main replacement works are undertaken.

Access for pedestrians will be maintained at all times during the closures. The Order will come into effect on 8 November 2014 and may continue in force for 18 months or until the works have been completed, whichever is the earlier.

#### (Footpath 12, Ashingdon) (Temporary Prohibition of Use) Order 2014

**Further to the notices:** Under section 14(2) of the Road Traffic Regulation Act 1984, which commenced on 22 September 2014 and 13 October 2014.

**Notice is hereby given** that the Essex County Council has made the above Order under Section 14 (1) of the Road Traffic Regulation Act 1984.

**Effect of the order:** to temporarily close that length of Footpath 12, Ashingdon in the District of Rochford, from a point 450 metres west of Farnbridge Road, west for a distance of approximately 540 metres.

The closure is scheduled to commence on 3 November 2014 to 30 November 2014 or where appropriate signs are showing and weather permitting, and is required for the safety of the public due to safety issues with the seawall embankment.

**Alternative Route:** Leaving the footpath by means of steps at the point of closure, down the embankment, along the landward access track at foot of embankment rejoining footpath by means of steps 540 metres along track.

The Order will come into effect on 3 November 2014 and may continue in force for 6 months, or until the works are finished, whichever is the earlier

**Liz Burr**, Head of Network Management, County Hall, Chelmsford  
Dated: 6 November 2014



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#### SOUTHEND ON SEA BOROUGH COUNCIL Town and Country Planning (Development Management Procedure) Order 2010

14/01629/FUL  
Mr Anthony Blythe:  
Replace existing windows to front and side elevations of second floor flat (Amended Proposal):  
84C Alexandra Road Southend-On-Sea  
Any person who wishes to make representation to the Council about the applications should make it in writing within 21 days of the publication of this notice to the Director of Enterprise, Tourism & Environment, Civic Centre, Victoria Avenue, Southend-on-Sea SS2 6ER or via our website [www.southend.gov.uk/publicaccess](http://www.southend.gov.uk/publicaccess)  
Copies of the application are available for inspection at the above address during normal office hours or on our website.  
The Council operates a scheme allowing public speaking at the Development Control Committee. A leaflet explaining the arrangements for public speaking can be found on the Council's website or obtained by phoning 01702 215331

#### HILDA ELIZABETH AUSTIN (Deceased)

Pursuant to the Trustee Act 1925, notice is hereby given that any persons having a claim against or an interest in the Estate of the above named, late of 77 Aylesbeare, Shoeburyness, Southend on Sea, Essex SS9 8AG, who died on 30/5/2014 are required to send written particulars to the undersigned on or before 14/11/2015, after which date the Estate will be distributed having regard only to the claims and interests of which they have had notice.

Rudds, 81A High Street, Rayleigh, Essex SS6 7EJ

#### RONALD CRAWFORD (Deceased)

Pursuant to the Trustee Act 1925 any persons having a claim against or an interest in the Estate of the aforementioned deceased, late of Golden Lodge Nursing Home Hart Road Thundersley Benfleet Essex SS7 3GL, who died on 19/07/2014, are required to send particulars thereof in writing to the undersigned Solicitors on or before 16/01/2015, after which date the Estate will be distributed having regard only to claims and interests of which they have had notice.

HUGH JAMES  
Hodge House  
114-116 St Mary Street  
Cardiff CF10 1DY

T432428

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#### ROCHFORD DISTRICT COUNCIL PLANNING (LISTED BUILDINGS & CONSERVATION AREAS) ACT, 1990

14/00716/FUL: Mr Roger Jones - Westlands Farm Developments: Erection of Two Semi-detached 3-bed Houses and Conversion of Existing Outbuilding From Storage to Residential to Create Ino. 1-bed Dwelling, Vehicular Access off Bellingham Lane:- 4 High Street





## **Appendix 3: Copy of Community Infrastructure Levy (CIL) Draft Charging Schedule – Section 3 and Section 6 Consultation Material (January 2015 – February 2015)**

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### **Contents**

Consultation letter dated January 2015  
General Consultation email  
Consultation Letter to Libraries  
Specific Consultee list  
General Consultee list  
Consultees from Round 2  
Representation Form  
Addendum to Statement of Representations Procedure

# Southend-on-Sea Borough Council

## Department for Place

### Head of Planning and Transport – Peter Geraghty

Our ref: TP/100/471/2/ds

Telephone: 01702 215408

Your ref:

Date: 7 January 2015

E-mail: debeeskinner@southend.gov.uk

Contact Name: D Skinner

DX 2812 Southend

Dear Sir/ Madam

## Southend-on-Sea Community Infrastructure Levy (CIL) – Section 3 and 6 of the CIL Draft Charging Schedule (DCS)

The [second stage](#) of the CIL consultation took place from 3 November 2014 to 15 December 2014. During this time it was noted that there were a couple of omissions made in the drafting of the Key Documents including:-

- Figure 1 in Section 3 of the DCS showed an incorrect map;
- Table 2 in Section 3 of the DCS detailing the Market Areas had been omitted;
- Document entitled ‘SPD2 – Summary of Changes’ was referenced in error in Section 6 of the DCS – this document has now been superseded by the published SPD2 consultation document;
- The most recent version of the Infrastructure Delivery Plan (Sept 2014) was not uploaded correctly;
- Minor error found in the Viability Study appraisals (0% AH appraisals run with 10% AH by mistake – these have been re-run and are now included in the revised Viability Study appendices – this error has no impact on the advice of the study and the [Viability Addendum Note July 2014](#) remains unchanged).

The current consultation therefore relates only to [Sections 3 and 6 of the DCS](#), supported by the [Infrastructure Delivery Plan \(Sept 2014\)](#), and the [Viability Report \(Dec 2014\)](#) and associated appendices. An addendum to the [Statement of Representations Procedure](#) previously published is also available to reflect these recent amendments. The Council is inviting representations on Section 3 and 6 of its CIL Draft Charging Schedule from **Wednesday 7 January 2015 to Thursday 19 February 2015**.

The Plan, alongside a statement setting out how representations can be made, is available online via the Councils’ website ([www.southend.gov.uk/developmentmanagementdpd](http://www.southend.gov.uk/developmentmanagementdpd)) at Southend Civic Centre and in the Borough’s libraries.

The quickest and easiest way to submit comments is via our online system at this link: <http://southend.jdi-consult.net/> .

Comments may be submitted by selecting the relevant document then clicking on the pen symbol next to the option on which you wish to comment. Before you submit comments for the first time you will need to register on the system. This is a simple process requiring a valid email address. **If you are already registered on the online consultation system you can use the same login and do not need to re-register.**

We recommend that you also visit [www.southend.gov.uk](http://www.southend.gov.uk) to view the documents, access background information and, if required, obtain help on using the online consultation.

We recognise that not everyone has access to the internet and that it is important that no one is excluded from participating. If you wish to submit your views on the any of the documents out on consultation but are unable to do so online, or would like hard copy version please contact 01702 215408

Yours faithfully

Debee Skinner  
Business Intelligence Officer

## Debee Skinner

---

**From:** LDF  
**Sent:** 07 January 2015 16:24  
**To:** Debee Skinner  
**Subject:** Have Your Say – Community Infrastructure Levy (CIL) – Section 3 and 6 of the CIL Draft Charging Schedule (DCS) - January 2015

**Importance:** High

Dear Sir/Madam,

### **Have Your Say – Community Infrastructure Levy (CIL) – Section 3 and 6 of the CIL Draft Charging Schedule (DCS)**

The [second stage](#) of the CIL consultation took place from 3 November 2014 to 15 December 2014. During this time it was noted that there were a couple of omissions made in the drafting of the Key Documents including: -

- Figure 1 in Section 3 of the DCS showed an incorrect map;
- Table 2 in Section 3 of the DCS detailing the Market Areas had been omitted;
- Document entitled 'SPD2 – Summary of Changes' was referenced in error in Section 6 of the DCS – this document has now been superseded by the published SPD2 consultation document;
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- Minor error found in the Viability Study appraisals (0% AH appraisals run with 10% AH by mistake – these have been re-run and are now included in the revised Viability Study appendices – this error has no impact on the advice of the study and the [Viability Addendum Note July 2014](#) remains unchanged).

The current consultation therefore relates only to [Sections 3 and 6 of the DCS](#), supported by the [Infrastructure Delivery Plan \(Sept 2014\)](#), and the [Viability Report \(Dec 2014\)](#) and associated appendices. An addendum to the [Statement of Representations Procedure](#) previously published is also available to reflect these recent amendments. The Council is inviting representations on Section 3 and 6 of its CIL Draft Charging Schedule from **Wednesday 7 January 2015 to Thursday 19 February 2015**.

Following the consultation period the Council intends to submit the CIL Draft Charging Schedule for examination.

In accordance with the Regulations, Southend Borough Council has made available for consultation:

- Southend Borough Council CIL Draft Charging Schedule
- Relevant evidence to support the Southend Borough Council CIL Draft Charging Schedule
- This Statement of Representations Procedure

Persons making representations may request the right to be heard by the examiner and any representation may be accompanied by a request to be notified at a specified address of any of the following:

- submission of the Draft Charging Schedule to the Examiner
- publication of the recommendations of the examiner and reasons for those recommendations
- the adoption of the final Charging Schedule by Southend Borough Council

All documents relating to CIL can be viewed on the Council's website at:  
<http://www.southend.gov.uk/cil>

Paper copies are available to view at the following locations (during normal opening hours):

- Southend Borough Council Offices, Customer Service Centre, Civic Centre, Victoria Avenue, Southend-on-Sea SS2 6ZF

- Leigh Town Council Offices, 67 Elm Road, Leigh-on-Sea SS9 1SP  
01702 716288
- All local libraries in Borough.

Representations on Section 3 and 6 of the Draft Charging Schedule must be received **no later than 5pm Thursday 19 February 2015.**

The quickest and easiest way to submit comments in relation to this consultation is via our online system at this link: <http://southend.jdi-consult.net/ldf/index.php?>

Comments may be submitted by selecting the relevant document then clicking on the pen symbol next to the proposed document on which you wish to comment. Before you submit comments for the first time you will need to register on the system. This is a simple process requiring a valid email address. **If you have already registered on the online consultation system you can use the same login and do not need to re-register.**

We recommend that you also visit [www.southend.gov.uk/cil](http://www.southend.gov.uk/cil) to view more information on the documents, access background information and, if required, obtain help on using the online consultation system.

Alternatively you can comment by e-mail at: [ldf@southend.gov.uk](mailto:ldf@southend.gov.uk)

We recognise that not everyone has access to the internet and that it is important that no one is excluded from participating. If you wish to submit your views on any of the documents out on consultation but are unable to do so online, or would like a hard copy version please contact 01702 215408.


Kind regards

**Debee Skinner** | Business Intelligence Officer | **Southend-on-Sea Borough Council**

*Creating a Better Southend*

Phone: 01702 215408 | Email: [debeeskinner@southend.gov.uk](mailto:debeeskinner@southend.gov.uk) | Website: [www.southend.gov.uk](http://www.southend.gov.uk)

Department for Place | Southend on Sea Borough Council | Floor 13 Civic Centre | Victoria Avenue | Southend on Sea | SS2 6ER

 Before printing, please think about the environment.

# Southend-on-Sea Borough Council

## Department for Place

### Head of Planning and Transport – Peter Geraghty

Our ref: TP/100/

Telephone: 01702 215408

Your ref:

Date: 8 January 2015

E-mail: [debeeskinner@southend.gov.uk](mailto:debeeskinner@southend.gov.uk)

Contact Name: D Skinner

DX 2812 Southend

Dear Sir/ Madam

## Southend-on-Sea Community Infrastructure Levy (CIL) – Sections 3 and 6 – Regulation 16

In the past, you have been most helpful in making our other Local Development Framework documents available for public inspection at your premises. I am therefore writing to request your assistance once again by making the enclosed documents available for public inspection and reference.

The documents included are

- Section 3 and 6 of the Community Infrastructure Levy (CIL) (DCS)
- Statement of Representation Procedure – Regulation 16 (Addendum January 2015)
- Representation Form
- Infrastructure Delivery Plan (September 2014)
- Viability Report (December 2014)

I hope that is all in order and thank you for your assistance.

Yours faithfully

Debee Skinner  
Business Intelligence Officer

# LDF - Specific Consultees (ALL)

## Organisation

Aldi Foodstore Ltd

AMEC Environment & Infrastructure UK Ltd

Anglian Water Services

Arriva Southern Counties

Arriva Southern Counties Ltd

Barling Magna Parish Council

Basildon Borough Council

BUPA Wellesley Hospital

c2c Rail & National Express East Anglia

CAA Safety Regulation Group

Castle Point Borough Council

CPREssex

Dartford Borough Council

Defence Estate East

Defence Infrastructure Organisation

East of England Ambulance Service

East Of England Development Agency

English Heritage East of England

Environment Agency

Environment Agency

Essex Chambers of Commerce - South Essex Office

Essex Council Council

Essex County Council

Essex County Council

Essex County Council

Essex Fire & Rescue Service HQ

Essex Police

Essex Police (Southend Division)

Essex Police Community Safety Dept

## Organisation

Essex Police, Headquarters

Essex Wildlife Trust

First Essex Buses Ltd

Foulness Parish Council

Friends, Families & Travellers & Travellers Law Reform Project Community Base

Great Wakering Parish Council

H M Customs & Excise

Highways Agency

Highways Agency

Highways Agency (Network Strategy)

Hockley Parish Council

Leigh Town Council

Leigh Town Council

London Southend Airport

MOA (Mobile Operators Association)

Mobile Operators Association

Natural England

Natural England Consultation Service

NHS England, Essex Area Team,

Resident Association Watch

Rochford District Council

Rochford Parish Council

South East Local Enterprise Partnership

Southend University Hospital NHS Foundation Trust

SPORT ENGLAND

The National Federation of Gypsy Liaison Groups

The National Trust

The Planning Inspectorate

The Society for the Protection of Ancient Buildings

Thurrock Council

Thurrock Unitary Council

Town Centre Partnership

Traveller Law Reform



# LDF - General Consultees (ALL)

## Organisation

A W Squier Ltd

AC Taxis

Age Concern

Arriva Southern Counties Ltd

Association of Jewish Refugees

Barton Wilmore

Belfairs Gardens Residents Association

Belfairs Gardens Residents Association

Braintree District Council

BRE Global

Brentwood Borough Council

British Hardware Federation

British Horse Society

Burges Estate Residents Association (BERA)

Bus & Rail User Group

c2c Rail

Campaign to Protect Rural Essex (CPREssex)

Canewdon Parish Council

Chalkwell Ward Residents Association

Chart Plan (2004) Ltd

Chelmsford Borough Council

COBRA (Coalition of Borough Residents Associations)

Conservation Association Westcliff Seaboard

County Hotel

CPRE Southend Area

Crest Nicholson

Crime Prevention Panel (Leigh)

Crown Estate Office

## Organisation

Cycling Touring Club (CTC)

Darby & Joan Organisation

DIAL Southend

English Sports Council (East)

Essex & Suffolk Water

Essex Amphibian & Reptile Group

Essex Badger Protection Group

Essex Biodiversity Project

Essex Bridleways Association

Essex Racial Equality Council

Essex Wildlife Trust

Essex Wildlife Trust - Southend and Rochford Group

Estuary Housing Association

Ethnic Minority Forum

Federation of Small Businesses

Fusion Online Ltd

GreenKeeper

Hamlet Court Road Business Association

Hamlet Court Road Business Association

Hanson Quarry Products

Harlow District Council

Hawkwell Parish Council

Heaton Planning

Herbert Grove Residents Association

Hindu Association (Southend & District)

Hobbs Parker

Home Builders Federation (HBF)

Horse Owners and Riders (SE Essex)

Hullbridge Parish Council

Iceni Projects

Iceni Projects Ltd

Iceni Projects Ltd

Indigo Planning

IPECO

## Organisation

J.C Gibb Chartered Surveyors

Januarys

John Grooms Association

Kent County Council

Lambert Smith Hampton

Lancashire Digital Technology Centre

Landmark Town Planning Group

Leigh Cliff Association

Leigh Seafront Action Group

Leigh Society

Leigh Traders Association

Leigh-on-Sea Crime Prevention Panel

Lidl UK Ltd

Maldon District Council

Milton Community Partnership

Milton Conservation Society

Milton Conservation Society

Moat Homes

National Express East Anglia

National Federation for the Blind

National Rivers Authority Anglian Region

Network Rail (Town Planning Team)

Network Rail Property

NIBS

North Crescent & Feeches Rd Residents Association

Older Peoples Federation

Olympus KeyMed

OPA

Paglesham Parish Council

Parklife

Pebbles 1

Persimmon Homes (Essex) Ltd

Peter Harris Associates

Phase 2 Planning and Development

## Organisation

Planning Perspectives LLP

Planning Perspectives LLP

Planning Perspectives LLP

Planning Potential

Planware Ltd

Port of London Authority

Powergen Plc

Prospects College

Qinetiq

Ramblers Association (Southend Unitary Authority)

Rayleigh Town Council

Residents Association of Westborough (RAW)

RIBA South East Chapter

Royal Association For Deaf People (RAD)

Royal Bank of Scotland (RBS)

Royal Mail Group Property

Royal National Lifeboat Institution - Southend Branch

SAEN

Sanctuary Group

Shoebury Residents Association

Shoebury Society

Shoebury Traders Association

Smart Planning Ltd

Smart Planning Ltd

Society for the Protection of Undercliff Gardens

SOS Domestic Abuse Projects

South East Essex Archaeological Society

South East Essex Archaeological and Historical Society

South East Essex College

South East Essex Friends of the Earth

South Essex Area Health Authority

South Essex Natural History Society

South Westcliff Community Group

Southend & District Aid Society

## Organisation

Southend & District Pensioners Campaign

Southend & Leigh Fishermans Association

Southend & Surrounds Cycling Campaign

Southend Adult Community College

Southend and Westcliff Hebrew Congregation

Southend Animal Aid

Southend Area Bus Users Group

Southend Association of Voluntary Services

Southend Blind Welfare Organisation

Southend Hospital NHS Trust

Southend Islamic Trust

Southend Mencap

Southend Mind

Southend Ornithological Group

Southend Primary Care Trust (PCT)

Southend Properties (Guernsey) Ltd

Southend Sports Council & Southend Wheelers Cycling Club

Southend Taxi Drivers Association

Southend Tenants and Residents Federation

Southend Town Centre Business Group

Southend University Hospital

Southend Wheelers

Southend YMCA

Southend Youth Council

Southend-on-Sea Arts Council

Southend-on-Sea Guild of Help and Citizens Advice Bureau

Southend-on-Sea Sports Council

Sport England East

SSA Planning

St. Matthew's Christian Spiritualist Church (1999) Ltd.

Stambridge Parish Council

Stephensons of Essex

Stewart Ross Associates

Stock Woolstencroft Architecture and Urbanism

## Organisation

Stockdale Group of Companies

Strutt and Parker

SUSTRANS Essex

Sutton Parish Council

Tarmac Southern Ltd

Tattersall Gardens Residents Group

Tendring District Council

Terence O'Rourke

Tesco Stores Ltd

Tetlow King Planning

Thames Gateway South Essex Partnership Ltd

Thames Water Property Services

The Guinness Trust

The Planning & Development Partnership

The Planning Bureau Ltd

The Salvation Army Leigh on Sea

The Southend Pier Museum Trust Ltd

The Southend Society

The Theatres Trust

The Victoria Shopping Centre

Tolhurst House Residents Association

Trust Links

University of Essex Southend

University of Essex Southend

Uttlesford District Council, Planning Department

Waitrose Ltd

West Leigh Residents Association

West Leigh Residents Association

Westborough Neighbourhood Action Panel

Westcliff & Leigh Neighbourhood Watch

## **Consultees from Draft Charging Schedule.**

These are those that made actual representations to the second round and were invited to submit on round three.

Savills on behalf of Cogent Land LLP

Sport England

Planning Potential Ltd on behalf of Aldi Stores

Natural England

Essex County Council

NHS England Essex Area Team

## Representation Form

# Community Infrastructure Levy (CIL) Draft Charging Schedule - Section 3 and 6 only

This form has two parts -

Part A - Personal Details

Part B - Your representation(s)

**Please fill in a separate sheet for each representation you wish to make.**

### Part A

**Personal Details** - if an agent is appointed, please only complete Title, Name & Organisation boxes below but complete the full contact details of the agent.

### Agent Details (if applicable)

Title

First Name

Surname

Job Title\*

Organisation\*

Address line 1

Address line 2

Address line 3

Address line 4

Postcode

Telephone No

Email Address\*

\* where relevant





**Part B - Please use a separate sheet for each representation outlining the relevant question and page number.**

**I. To which part of the CIL Section 3 or 6 does this representation relate?**

Question

Page

continue on a separate sheet if necessary

Signature

Date



**Consultation on Community Infrastructure Levy (CIL)  
Draft Charging Schedule (DCS)  
Addendum to Statement of Representations Procedure Regulation 16  
January 2015**

**Planning Act 2008 (as amended)  
Community Infrastructure Levy Regulations 2010 (as amended)**

Southend Borough Council published for inspection the Southend Borough Council Community Infrastructure Levy (CIL) Draft Charging Schedule on 3 November 2014. The Draft Charging Schedule, together with the accompanying Statement of Representations (and this addendum statement) have been prepared in accordance with the CIL Regulations 2010 (as amended) and Planning Act 2008 (as amended).

Southend Borough Council is inviting representations on revised Sections 3 and 6 of the CIL Draft Charging Schedule and associated evidence from **Wednesday 7<sup>th</sup> January 2015 to Thursday 19<sup>th</sup> February 2015**.

Following the consultation period Southend Borough Council intends to submit the CIL Draft Charging Schedule for examination.

In accordance with the Regulations, Southend Borough Council has made available for consultation:

- Southend Borough Council CIL Draft Charging Schedule
- Relevant evidence to support the Southend Borough Council CIL Draft Charging Schedule
- This Statement of Representations Procedure

All documentation relating to the three rounds of CIL consultation can be viewed on the Council's website at: <http://www.southend.gov.uk/cil>

Paper copies are available to view at the following locations (during normal opening hours):

- Southend Borough Council Offices, Customer Service Centre, Civic Centre, Victoria Avenue, Southend-on-Sea SS2 6ZF
- Leigh Town Council Offices, 67 Elm Road, Leigh-on-Sea SS9 1SP  
01702 716288
- All local libraries in Borough (details can be found on Southend Borough Council's website at: <http://www.southend.gov.uk/directory/2/libraries>)

Representations on the revised Draft Charging Schedule must be received **no later than 5pm Thursday 19<sup>th</sup> February 2015**. Our preferred method for comment is online at:

<http://southend.jdi-consult.net/ldf/index.php?>

Alternatively you can comment by e-mail at:

[ldf@southend.gov.uk](mailto:ldf@southend.gov.uk)

or by post to:

Debee Skinner, Southend-on-Sea Borough Council Department for Place, PO Box 5557,  
Civic Centre, Victoria Avenue, Southend-on-Sea, SS2 6ZF

Persons making representations may request the right to be heard by the examiner and any representation may be accompanied by a request to be notified at a specified address of any of the following:

- submission of the Draft Charging Schedule to the Examiner
- publication of the recommendations of the examiner and reasons for those recommendations
- the adoption of the final Charging Schedule by Southend Borough Council



	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
<b>Respondent</b>	<b>Leigh Town Council - Mrs Pat Holden</b>				
<b>Full Submission</b>					
<b>Reps</b>	Q1	1683	Support	Yes	Noted
	Q2	1684	Support	Yes	Noted
	Q3	1685	Support	Looks reasonable	Noted
	Q4	1686	Support	Yes	Noted
	Q4	1687	Support	That answer was meant to be NO	Will seek clarification if they would like Rep 1686 withdrawn.
	Q5	1688	Support	Yes	Noted
	Q6	1689	Support	Yes	Noted
	Q11	1690	Support	No	Noted
<b>Respondent</b>	<b>McCarthy and Stone Retirement Lifestyles Ltd – Mr Ziyad Thomas</b>				
<b>Full Submission</b>	<p>This is a representation on behalf of McCarthy &amp; Stone Retirement Lifestyles Ltd. the market leaders in the provision of retirement housing for sale to the elderly. It is therefore considered that with its extensive experience in providing development of this nature, the company is well placed to provide informed comments on the emerging Southend on Sea Borough Council Community Infrastructure Levy (CIL), insofar as it affects or relates to housing for the elderly.</p> <p>The demographic profile of the Borough is projected to age markedly, with the proportion of the population aged 60 and over increasing from 24.3% to 29.7% between 2008 and 2033. The most significant population increases are projected of the 'frail' elderly, those aged 75 and over, who are more likely to require specialist care and accommodation.</p> <p>The provision of specialist accommodation for the elderly therefore has a clear role in meeting housing needs over the Development Plan Period and by not properly considering the effect of CIL on these forms of development their delivery would be put at risk.</p> <p>We therefore commend the Council for their decision to test the viability of both sheltered / retirement housing and Extra Care accommodation.</p> <p>Whilst a number of the viability assumptions used in the development scenario for a sheltered / retirement scheme and an Extra Care schemes are not what we consider 'typical'. We ultimately do consider the proposed Borough-wide rate of £20 per m<sup>2</sup> to be acceptable. We are therefore pleased to support the proposed CIL levy rate for Retirement and Extra Care development.</p> <p>Thank you for the opportunity for comment.</p>				
<b>Reps</b>	Q3	1682	Support	Support proposed 'Retirement and Extra Care' levy rate.	Noted
<b>Respondent</b>	<b>Sports England (East Office) – Mr Roy Warren</b>				
<b>Full Submission</b>	<p>Concern is raised about the approach taken to assessing needs for outdoor and indoor sports provision in the IDP for the following reasons:</p> <ol style="list-style-type: none"> <li>1. The interim approach to assessing needs for outdoor and indoor sport in the IDP is not robust and would not accord with any established guidance for assessing community sports facility needs such as Sport England's Playing Pitch Strategy guidance that has been referred to in the IDP and the Sport England's Assessing Needs</li> </ol>				

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
	<p>and Opportunities guidance. It is therefore essential that these interim assessments are replaced as soon as possible by a robust needs assessment and strategy in order to inform and justify the draft Regulation 123 list in the CIL document and the estimated infrastructure costs associated with sports provision in table 1 of the CIL document. The current assessment would not stand up to scrutiny and the needs identified are unlikely to be representative of the extent and nature of actual needs.</p> <p>Paragraphs 11.19 and 11.36 of the IDP suggest that the completion of the sports audit may be uncertain. This is of concern as the completion of the audit is considered essential in the context of the limitations of the theoretical assessments in the IDP.</p> <p>The Council are advocated to address this by ensuring that the audit is completed before the CIL charging schedule reaches an advanced stage.</p> <p>2. While the preparation of an indoor and outdoor sports 'audit' is welcomed, there is a potential concern that the scope of such an audit may be insufficient for supporting the CIL. Audits conventionally assess supply and demand for sports facilities and identify needs and issues but do not usually go on to identify and prioritise specific actions and projects for addressing the identified needs which will be required for the IDP and the related CIL. An indoor and outdoor sports strategy (which incorporates an audit) is required to provide an appropriate and robust basis for identifying sports infrastructure needs in an IDP which can inform specific projects to be included in a Regulation 123 list.</p> <p>To address this the Council is urged to ensure that the brief for the work is for an indoor and outdoor sports facility strategy rather than an audit to avoid a potential scenario where the scope of a completed audit is inadequate to support the IDP and CIL. It is advocated that the brief requires a strategy to be prepared in accordance with Sport England's Playing Pitch Strategy guidance (playing pitches) and Assessing Needs and Opportunities guidance (other sports facilities)</p> <p>In any case, a strategy for indoor and outdoor sport is considered to be necessary to support a future review of the Council's core strategy as well as assisting with the delivery of other Council services such as leisure, property etc in view of the absence of an up-to-date and robust assessment of needs to objectively inform strategic decisions about community sports facility provision in Southend.</p> <p>Sport England would be willing to provide the Council with further advice and support in relation to strategy preparation.</p>				
Rep	Q1	1681	<b>Object</b>	<p>The evidence base used in the IDP for outdoor and indoor sport is currently considered inadequate due to the theoretical assessments not being robust. There is also concern that the proposed indoor and outdoor sports audit will not be in the form of a strategy.</p> <p>These concerns can be addressed through the production of an indoor and outdoor sports facility strategy prepared in accordance with Sport England's relevant guidance. Sport England would be willing to provide the Council with further advice and support in relation to strategy preparation.</p>	Amendment made to IDP in the September 2014 update for clarification purposes. Addressed previously in paragraphs 4.10 and 4.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 4.10 and 4.11 of the Overview Report (Feb 2015).
Respondent	Essex County Council – Mr Keith Blackburn				
Full Submission	I am writing on behalf of Essex County Council (ECC) to give its formal response to Southend's Preliminary Draft Charging Schedule (PDCS) for CIL . ECC wishes to stress the positive relationship which has been built up over time between ECC, Southend and its two neighbouring Essex Districts, Castle Point and Rochford, including through Thames Gateway South Essex. ECC particularly welcomes the statement in para.1.14 of the PDCS document which states that Southend will				

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
	<p>wish to work with ECC on projects on the A127 and A13. ECC will wish to continue to work collaboratively with Southend in ECC's role as Highway Authority in Castle Point and Rochford and in developing projects through the Integrated County Strategy which includes Southend, Thurrock, the 12 Essex Districts and ECC. ECC is aware that Southend is a unitary authority over which ECC has less influence than over Essex Districts on CIL and other matters. The next section answers some of the detailed questions posed by Southend in the PDCS.</p> <p>Q1 Do you agree with the contents of the Infrastructure Delivery Plan and does the evidence show there is a sufficient funding gap and justification for CIL? Yes</p> <p>Q6. Do you consider that the draft instalment policy is reasonable? ECC supports the proposed instalment policy as it involves a smaller number of instalments than some other Charging Authorities in Greater Essex have offered .ECC has stressed its preference for a smaller number of instalments.</p> <p>Q11 .ECC wishes to express its broad support for Southend's CIL and its wish to work with Southend on projects such as the A127 and A13. It also wishes to suggest that Southend should complete an equality impact assessment prior to finalising the schedule. ECC has declined to answer questions 2-5 and 7-10 as it feels that to answer them might be seen as trying to 'second guess' Southend's assessment which it would not wish to do. It has taken a similar stance in responding to PDCS and DCS documents from Essex Districts.</p>				
Reps	Q11	1694	Support	ECC wishes to express its broad support for Southend's CIL and its wish to work with Southend on projects such as the A127 and A13. It also wishes to suggest that Southend should complete an equality impact assessment prior to finalising the schedule. ECC has declined to answer questions 2-5 and 7-10 as it feels that to answer them might be seen as trying to 'second guess' Southend's assessment which it would not wish to do. It has taken a similar stance in responding to PDCS and DCS documents from Essex Districts.	Equalities Analysis drafted to form part of the DCS consultation; other comments noted.
	Q6	1693	Support	ECC supports the proposed instalment policy as it involves a smaller number of instalments than some other Charging Authorities in Greater Essex have offered .ECC has stressed its preference for a smaller number of instalments.	Noted
	Q1	1692	Support	Yes	Noted
	Q11	1691	Comment	ECC wishes to stress the positive relationship which has been built up over time between ECC, Southend and its two neighbouring Essex Districts, Castle Point and Rochford, including through Thames Gateway South Essex. ECC particularly welcomes the statement in para.1.14 of the PDCS document which states that Southend will wish to work with ECC on projects on the A127 and A13. ECC will wish to continue to work collaboratively with Southend in ECC's role as Highway Authority in Castle Point and Rochford and in developing projects through the Integrated County Strategy which includes Southend, Thurrock, the 12 Essex Districts and ECC. ECC is aware that Southend is a unitary authority over which ECC has less influence than over Essex Districts on CIL and other matters	Noted

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
<b>Respondent</b>	<b>Anglian Water</b>				
<b>Full Submission</b>	<p>We are not able to provide costs of wastewater infrastructure required to serve the proposed growth. However, I would not expect there to be provision within the CIL for wastewater infrastructure. We would be pleased to engage in further discussion should wastewater network infrastructure be considered for inclusion.</p> <p>In general, wastewater treatment infrastructure upgrades to provide for residential growth are wholly funded by Anglian Water through our Asset Management Plan. Network improvements (on-site and off-site) are generally funded/part funded through developer contribution via the relevant sections of the Water Industry Act 1991. The cost and extent of the required network improvement are investigated and determined when we are approached by a developer and an appraisal is carried out. There are a number of payment options available to developers. Options include deducting the revenue that will be raised from the newly connected dwellings (through the household wastewater charges) over a period of twelve years off the capital cost of the network upgrades. The developer then pays the outstanding sum. Further information can be found at:</p> <p><a href="http://www.ofwat.gov.uk/consumerissues/selflay/">http://www.ofwat.gov.uk/consumerissues/selflay/</a></p>				
<b>Reps</b>	Q11	1695	<b>Comment</b>	We are not able to provide costs of wastewater infrastructure required to serve the proposed growth. However, I would not expect there to be provision within the CIL for wastewater infrastructure. We would be pleased to engage in further discussion should wastewater network infrastructure be considered for inclusion.	Noted
	Q11	1696	<b>Comment</b>	In general, wastewater treatment infrastructure upgrades to provide for residential growth are wholly funded by Anglian Water through our Asset Management Plan.	Noted
	Q11	1697	<b>Comment</b>	Network improvements (on-site and off-site) are generally funded/part funded through developer contribution via the relevant sections of the Water Industry Act 1991. The cost and extent of the required network improvement are investigated and determined when we are approached by a developer and an appraisal is carried out. The cost and extent of the required network improvement are investigated and determined when we are approached by a developer and an appraisal is carried out. There are a number of payment options available to developers. Options include deducting the revenue that will be raised from the newly connected dwellings (through the household wastewater charges) over a period of twelve years off the capital cost of the network upgrades. The developer then pays the outstanding sum.	Noted
<b>Respondent</b>	<b>Savills on behalf of Cogent Land LLP</b>				
<b>Full Submission</b>	<p><b>Representation submitted on behalf of Cogent Land LLP</b></p> <p>1.0 Savills (UK) Limited (Savills) has been asked by Cogent Land LLP (CLL) to prepare the following representation in respect of the emerging Southend-on-Sea Borough Council (SBC) Preliminary Draft Charging Schedule (PDCS).</p>				



Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
			<p>1.1 Savills, as part of the HBF CIL Initiative, is representing house builders and landowners nationwide on emerging CIL Charging Schedules to scrutinise the available evidence, notably in respect of infrastructure provision and the testing of viability against both the emerging planning policy requirements and the housing land supply. This representation has therefore been submitted to influence the emerging PDCS published for public consultation in the period July to September 2014.</p> <p>1.2 Savills has been asked by CLL to prepare the following formal response to the PDCS consultation following concerns with the approach proposed by SBC, notably regarding the viability of the proposed rates for residential development. CLL are pursuing a number of opportunities in the Borough and is therefore keen to ensure that the residential CIL rates are viable.</p> <p>1.3 Following a thorough review of the PDCS and supporting evidence, CLL wish to make the following key observations:</p> <ul style="list-style-type: none"> <li>▪ The Council does not currently have an up-to-date Objectively Assessed Housing Needs (OAHN) or NPPF-compliant Local Plan including site allocations. We would therefore recommend that this work is undertaken to inform the CIL process, prior to the Draft Charging Schedule being published for consultation;</li> <li>▪ The proposed “nominal” CIL rates are not supported by the Viability Study;</li> <li>▪ An insufficient viability buffer has been applied to the proposed CIL rates; and</li> </ul> <p>A number of the assumptions adopted in the Viability Study are inappropriate and result in the Viability Study over-estimating the capacity for CIL.</p> <p>1.4 The following representation is structured in four parts. <b>Part 1</b> outlines commentary on the proposed CIL charging rates and the adopted Southend-on-Sea Core Spatial Strategy. <b>Part 2</b> provides commentary on the Viability Study prepared by BNP Paribas RE (BNP). <b>Part 3</b> addresses infrastructure and Section 106 contributions, as proposed by the emerging Regulation 123 List, and finally <b>Part 4</b> looks at the effective operation of CIL.</p> <p><b>Part 1 - The Proposed CIL Charges and the Core Spatial Strategy</b></p> <p>1.5 This representation is made in the context of the Community Infrastructure Levy (Amendment) Regulations 2014 and relevant statutory guidance (February 2014). These Regulations and associated guidance came into force on 24 February 2014. The publication of the PDCS, after this date, means that the Charging Schedule will be subject to the requirements of these latest set of Regulations and Guidance.</p> <p><b>“Striking an Appropriate Balance”</b></p> <p>1.6 Viability is at the forefront of Local Plan and CIL testing. It is therefore important that the Council fully understands the trade-off that occurs between affordable housing, Section 106 contributions and CIL when assessing the potential for charging a CIL in the Borough.</p> <p>1.7 The fundamental premise is that to enable delivery, sites must achieve a competitive land value for the landowner and provide developers the required return on investment, otherwise development will be stifled. This is recognised by the National Planning Policy Framework<sup>1</sup> (NPPF) and is ‘in-built’ within the CIL Regulations (as amended). It is also the basis of the definition of viability within the Harman report.<sup>2</sup></p> <p>1.8 Regulation 14(1) of the CIL Regulations sets out the key test that the Charging Schedule is measured against:</p> <p><i>“In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between –</i></p> <ul style="list-style-type: none"> <li>a) <i>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 in to account other actual and expected sources of funding; and</i></li> <li>b) <i>The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.”</i></li> </ul> <p>1.9 The CIL Regulations previously required the Charging Authority to ‘aim to strike what appears to the Charging Authority to be an appropriate balance...’ (emphasis</p>	

Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
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added), but the amendments now mean that the Charging Authority is required to **'strike an appropriate balance'**. The onus has therefore shifted away from being a matter of opinion to a matter of fact.

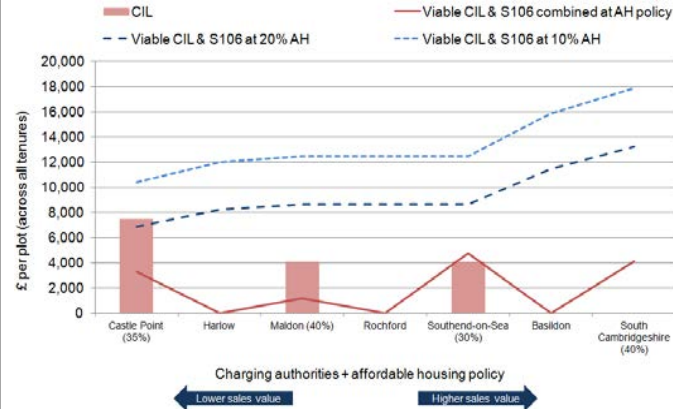
1.10 It is therefore of paramount importance that the proposed CIL rates are supported and consistent with the viability evidence and that the Council has undertaken sufficient work to demonstrate that the proposed rates will not put their housing supply at risk.

**Savills Research**

1.11 Savills has recently published research which assesses the impact of CIL on development viability, notably the delivery of affordable housing[1]. This research, which is attached to this representation, demonstrates the trade off required to enable a deliverable five year housing land supply, in respect of the level of CIL against affordable housing provision. The key finding of the report is that *"For local planning policies to be viable, there is a three way trade-off between the costs of CIL, Section 106 funding of infrastructure and affordable housing policy, with the costs of local standards and the move to zero carbon being additional costs to be factored into the trade-off"* (emphasis added).

1.12 The research notes that the ability of large greenfield sites to support CIL, Section 106 and affordable housing provision is largely driven by the strength of the local housing market. Where the housing market is stronger (higher £ per sq ft) the total "pot" available for these contributions increases. In contrast, lower value areas see reduced viability and subsequently a reduced "pot". It therefore becomes a question for Local Authorities to consider what the appropriate trade-off should be, taking into account adopted affordable housing policies.

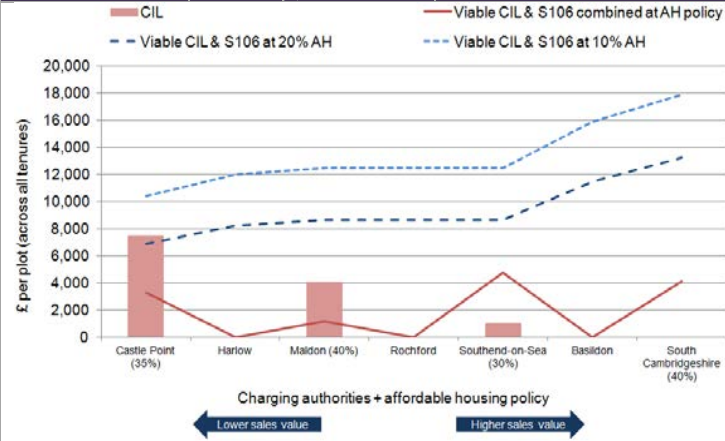
1.13 In the graph below, we have applied the Savills benchmarking model to SBC's maximum residential CIL rate (£60 per sq m) alongside a number of Local Authorities that have also published CIL rates; to assess the viability of this proposed rate.



1.14 This illustrates that the viable level of CIL and Section 106 (combined) at the policy level of 30% affordable housing is just above the proposed CIL rate (£60 per sq m) across all units. Whilst the proposed rate is therefore indicated as being below the maximum CIL rate, the Council needs to consider the level of residual Section 106 and 278 contributions that sites will be expected to provide post-CIL, as the model indicates a limited 'headroom'.

1.15 We have also looked at the proposed rate for the strategic sites (£15 per sq m), which will apply to the following sites:

Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
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1.16 This shows the viable level of CIL and Section 106 (combined) at the policy level of 30% affordable housing is significantly above the proposed CIL rate (£15 per sq m) across all units. However, as discussed above, it is important that the Council clearly sets out the infrastructure that will continue to be sought through Section 106/278 to “mitigate the impact of development”.

1.17 The model currently indicates ‘headroom’ of approximately £3,700 per unit assuming 30% affordable housing and £15 per sq m. The Council therefore needs to consider whether this is a suitable allowance based on the level of Section 106 that will continue to be sought on developments of this scale. This is essential as failure to include this in the viability testing could result in inappropriate CIL rates being adopted, which in turn will threaten the delivery of the housing supply.

### Delivery of the Development Plan

1.18 As discussed above it is critical for the adequate delivery of housing that CIL does not threaten the delivery of the development plan. The National Planning Policy Framework (NPPF) confirms and supports this by highlighting that for Local Plans to be found ‘sound’, the identified housing supply should be deliverable within the plan period. Paragraph 137 of the NPPF states:

*“Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”*

1.19 The introduction of CIL represents an additional obligation and therefore must be assessed holistically to establish the combined impact of CIL and existing planning obligations to ensure that the delivery of development would not be threatened by the introduction of CIL. We have therefore reviewed the identified housing supply for the Borough to determine whether the proposed CIL rates would threaten the delivery of development within the district.

### The Core Strategy

1.20 The CIL Guidance<sup>3</sup> confirms that Local Authorities must have an “up-to-date” development strategy for the area in which they propose to charge CIL. In addition, it states that a Charging Authority must be able to demonstrate how the proposed levy rates will contribute towards the implementation of the Local Plan. This is not exclusive in approach and stems from the contents of Paragraph 137 of the NPPF highlighted above.

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			<p>1.21 SBC has a Core Strategy, adopted in 2007, along with Saved Policies from both the Southend Local Plan 1994 and the Essex and Southend Replacement Structure Plan 2001. The local policy context for Southend therefore precedes the introduction of the NPPF. The Council has indicated that they intend to undertake a review of their Core Strategy, but this has not been undertaken at this stage.</p> <p>1.22 The Core Strategy contains a housing target of 6,500 dwellings over the plan period (2001 – 2021). This equates to a figure of 325 dwellings per annum. The 2013 SHLAA update indicates that the intention is to ‘front load’ this figure (as shown in the table below) given the apparent overprovision in completions within the early years of the plan period.</p> <p><b>Windfall Development</b></p> <p>1.23 We have noted that a substantial proportion of future dwellings in the Borough are intended to be delivered through windfall development. The NPPF (Paragraph 48) clearly sets out that Councils can include windfall sites in their five year land supply figures, but only where there is compelling evidence - <i>“Local planning authorities may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens.”</i><sup>5</sup></p> <p>1.24 We have therefore looked at historic evidence (see table below), which the Council has produced. This indicates the reliance on windfall development to deliver a significant proportion of the Borough's housing need.</p> <p>1.25 The Council has identified a strong and consistent historic delivery of windfall sites. However Paragraph 48 not only requires Authorities to show compelling evidence of delivery, but also that Windfall sites will continue to provide a reliable source of supply.</p> <p>1.26 SBC is a reasonably constrained district in both administrative and physical terms. The potential for windfall development to be reliable in the future is therefore compromised. We would advise caution in respect of a reliance on windfall development to bring forward a significant proportion of housing supply in the future. No evidence is provided that current rates of delivery will endure. In respect of CIL, care should be taken to ensure that there would not be an over-reliance on windfall development such that the anticipated collection of CIL funding, and consequently infrastructure delivery are compromised.</p> <p>1.27 The viability testing has been undertaken across a range of areas within the Borough and across a range of scales and typologies of development in an attempt to address this. The results of this testing shows that a significant number of scenarios across a significant number of areas would be rendered unviable by the proposed CIL rates (in particular the “nominal rates”). We are therefore concerned that a range of development types across all identified value areas in the Borough will not come forward for development if an unviable CIL rate is applied. A point further strengthened by the fact that a number of these development scenarios are already being shown to be on the margins of viability prior to the introduction of a CIL charge.</p> <p>1.28 This is a serious concern, indicating that the areas are at the margins of viability and therefore the application of a CIL charge could threaten the delivery of the Plan. We welcome therefore the Council’s inclusion of a buffer on the proposed viability rates, but question whether the buffer is set at the correct level given the assumptions made in the testing scenarios, as discussed further in the sections below.</p> <p><b>Housing Supply &amp; Delivery</b></p> <p>1.29 In its Core Strategy, the Council identifies a requirement for 6,500 new homes over the plan period (2001 – 2021). A Strategic Housing Land Availability Assessment (SHLAA) was produced in 2010 to identify a housing land supply to support the delivery of the identified housing need. The SHLAA was subsequently updated in 2012 and 2013.</p>	

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	1.30			<p>The 2013 SHLAA Update identifies housing completions as per <b>Table 2</b> shown above. This illustrates a good level of delivery up until 2007, where completions fell well below the Core Strategy annual target of 325 dwellings. In all but one year since 2007 housing completions have been below the Core Strategy target. In calculating its five year housing land supply the NPPF (Paragraph 47) requires for Councils to:</p> <p><i>“identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land”</i><sup>6</sup></p> <p>1.31 When taking an average of completions across the plan period, SBC is on target to meet the housing need identified in the Core Strategy. However, we consider it unacceptable for a Council to use an ‘average’ figure to make up for shortfall in completions within other years and effectively ‘mask’ a persistent under delivery. As such we would expect a 20% buffer to be applied to the calculation of Objectively Assessed Need (OAN) to take account of the persistent under delivery in housing across the Borough since 2007. We therefore believe that the Council currently has a housing land supply of 4.75 years, as applying a 20% buffer to the OHN indicates a need for 2,003 dwellings.</p> <p>Based on this above analysis, it is therefore vital that all identified sites in the Borough come forward. The Council should therefore take steps to ensure that the CIL charges are set well below the margins of viability to ensure that they do not threaten the delivery of the identified housing need. An argument supported by the CIL Guidance, which states that <i>“charging authorities should set a rate which does not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan”</i>.<sup>7</sup></p> <p><b>Part 2 - The CIL Rates &amp; Viability Study</b></p> <p>2.1 Section 211 (7a) of the Planning Act 2008 (as amended) which established CIL, requires SBC to use <b>“appropriate available evidence”</b> to inform the Charging Schedule, which in the case of the PDCS is the BNP CIL Viability Study (May 2014) and Viability Addendum Note (July 2014). Owing to the key test of Regulation 14(1)8 it is important that the viability appraisals prepared <b>are fit for purpose. In addition</b>, at Examination the Charging Schedule will need to be supported by “relevant evidence”<sup>9</sup>.</p> <p>2.2 At this stage no alternative viability evidence has been prepared, although Savills or CLL may do so at the Draft Charging Schedule stage if it is felt this is required. We offer below some initial thoughts on the assumptions within the viability assessments and outline our concern about the interpretation of the viability evidence when setting the proposed CIL rates.</p> <p><b>Benchmark Land Values (BLVs)</b> Values</p> <p>2.3 The approach taken by BNP in assessing the BLVs is complex and does not appear to be directly linked back to the five year land supply. The four BLVs quoted do not appear to be supported by market evidence and there is no explanation of how these BLVs apply to each of the identified market areas.</p> <p>2.4 The CIL Guidance states that <i>“A charging authority should directly sample an appropriate range of types of sites across its area....The exercise should focus on strategic sites on which the relevant Plan relies, and those sites where the impact of the levy on economic viability is likely to be most significant.”</i><sup>10</sup> BNP acknowledge this limitation by commenting that they only give <i>“a broad indication of likely land values”</i><sup>11</sup>, noting <i>“that other site uses and values may exist”</i> which have been excluded from their viability testing. It is also unclear whether the BLVs are per gross or net developable acre.</p> <p>2.5 We would therefore ask that SBC provide further market evidence and commentary to explain, in relation to each market area, which BLV is most appropriate and</p>	

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				<p>how this relates back to the land supply coming forward in these areas (i.e. which BLV is most appropriate in each market area). This will ensure that the analysis of the viability appraisals in each area is appropriate given the nature of the sites coming forward for development.</p> <p>Application</p> <p>2.6 Large, strategic sites require a significant amount of land to enable them to deliver certain items of on-site infrastructure, such as public open space and educational facilities. Consequently the reduction from gross land area to net developable area can range substantially with reductions ranging from 40 – 60%.</p> <p>2.7 Whilst the development density applied to the net site area may be appropriate within the Viability Study, the gross land take is particularly important when comparing the Residual Land Value (RLV) with the BLV. If the BLV is reported on a per net acre basis, it is therefore important that the RLV is applied to the correct net area. Similarly, if the BLV is on a gross basis then the RLV should be applied to the total (gross) site area.</p> <p>2.8 Looking at the viability summary tables contained in the BNP viability study<sup>12</sup> it is unclear whether the BLV has been applied to the net or gross site area. We would therefore ask that BNP confirm what assumption has been made as this is critical in establishing whether or not the proposed rates of CIL are viable.</p> <p><b>Professional Fees</b></p> <p>2.9 CLL is concerned that the level of professional fees adopted is too low (10% across all typologies). In our experience, the level of professional fees do not vary across location or market areas but depend on the size and complexity of the site in question. We would therefore advocate that large greenfield and complex brownfield sites are likely to attract higher professional fees on account of enabling works and additional abnormal costs (i.e. remediation, demolition).</p> <p>2.10 We would therefore request that a minimum allowance of 12% for professional fees be adopted across all typologies to reflect the nature of the five year land supply coming forward.</p> <p><b>Cashflow &amp; Distribution of Costs</b></p> <p>2.11 We understand that BNP adopt a bespoke spreadsheet model to undertake the appraisals for each of the typologies. Within the Viability Study, the appraisal summary sheet detailing the inputs for each typology has been attached as an appendix to the report. There is little explanation in the viability assessment on the distribution of the costs throughout the development period. We would welcome further disclosure of the cashflow assumptions used during the appraisals.</p> <p><b>Developer's Profit</b></p> <p>2.12 The minimum acceptable profit margin for the lending institutions and national house builders is a minimum of <b>20% on GDV blended</b> across both the private and affordable dwellings. At present, the viability appraisals assume 20% on GDV for the private housing and 6% on cost for the affordable, which equates to a blended rate of approximately 17.5% on GDV.</p> <p>2.13 We would therefore ask that an allowance of 20% on GDV is included in the viability testing. This profit level was endorsed via the Manor appeal decision in Shinfield.<sup>13</sup> It has also been included in Maldon District Council's supporting viability work produced by HDH Planning &amp; Development who are currently preparing supporting viability evidence for 24 Local Authorities.<sup>14</sup></p> <p><b>Interpretation of Viability Results</b></p> <p>2.14 We have reviewed the Viability Study supporting the PDCS, in particular the results of the viability appraisals run by BNP. Our client's particular concern relates to the "nominal" rate of £20 per sq m proposed by BNP, which has been applied to Market Areas 1-3.</p> <p>2.15 We have reproduced the viability appraisal results for Typologies 7-9, which are based on policy compliant affordable housing (30%) provision and a residual</p>	

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Section 106 allowance of £1,012 per unit:				
<p>2.16 All of these results show that the Market Area 1-3 sites cannot support a CIL rate, even with varying BLVs. A point acknowledged by BNP, who commented “<i>the results indicate that viability of residential development is currently challenging in certain locations</i>”. Even with reductions in affordable housing levels, BNP acknowledges that “<i>the results indicate that viability of residential development is currently challenging in certain locations</i>”<sup>15</sup>. These certain locations refer to Market Areas 1-3, with Areas 2-3 remaining widely unviable and Area 1 completely unviable.</p>				
<p>2.17 We therefore question how a CIL rate of £20 per sq m can be justified when the supporting viability evidence clearly shows that it is unviable. A point that becomes even harder to understand when you consider the local housing supply position, which indicates a reliance on windfall sites and a previous under-delivery. The Council does not therefore know where a significant amount of housing will be delivered, which puts an even greater importance on the CIL rates be set at a viable rate in all market areas. The following commentary by BNP is therefore concerning:  <i>“For residential schemes, the application of CIL is unlikely to be an overriding factor in determining whether or not a scheme is viable. When considered in context of total scheme value, CIL will be a modest amount, typically accounting for between 0.9% and 1.6% of value. Some schemes would be unviable even if a zero CIL were adopted. We therefore recommend that the Council pays limited regard to these schemes.”</i></p>				
<p>2.18 The CIL Guidance clearly states that “<i>If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority <b>should consider setting a low or zero levy rate in that area</b>. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development.</i>” A point further emphasised by the CIL Guidance which highlights that Local Authorities have a positive duty to show that their CIL rates are appropriate: “<i>A charging authority <b>must use ‘appropriate available evidence’</b> to inform their draft charging schedule...Charging authorities need to demonstrate that their proposed levy rate or rates are informed by ‘appropriate available’ evidence and consistent with that evidence across their areas as a whole.</i>’</p>				
<p>2.19 A point raised and supported by the Trafford Metropolitan Borough Council CIL examination, where the evidence supporting the CIL rate for apartments showed that in the moderate and lower value bands (with a proposed CIL rate of £10/m<sup>2</sup> in each case) sites were unviable. The Examiner discussed this point and commented: “<i>This base rate debate, concerning employment development types [albeit equally applicable in this instance to apartments in moderate and low value areas as noted above], raises important issues about the CIL charging concept and about the process of Examination. I have weighed these issues carefully.</i>” He also went on to say: “<i>I must give greater weight [than to the need to spread the burden of infrastructure] 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>” (emphasis added). The Examiner therefore concluded these £10/m<sup>2</sup> rates be reduced to £0/m<sup>2</sup> and highlighted the importance of Paragraph 8 of the CIL Guidance (2013), which says that CIL should have a “<b>positive economic effect</b>’.</p>				
<p>2.20 This approach has been further supported by the Richmond Upon Thames Borough Council CIL Examination<sup>16</sup>, where the evidence supporting the standard CIL charge for other development (with a proposed CIL rate of £25 per sq m) were shown to be unviable by the supporting viability evidence. The Examiner discussed this point and commented “<i>Local economic conditions in general cannot be taken as a demonstration that these uses could bear the levy</i>”<sup>17</sup>. The Examiner therefore concluded the £25 per sq m rate be reduced to £0 per sq m, noting “<i>the rate poses a threat to the viability of schemes. Imposing it would not meet the drafting requirements or the NPPF guidance that CIL charges support and incentivise new development</i>”. A conclusion which the Examiner is led to by highlighting that “<i>the guidance is clear that the rate should be consistent with the evidence</i>”<sup>18</sup></p>				
<p>2.21 In light of these decisions, we are therefore of the view that a “nominal” rate of £20 per sq m is not appropriate. Particularly as the evidence base prepared by BNP clearly indicates that the application of a CIL rate renders sites unviable.</p>				
<p>2.22 We would therefore ask that SBC review their CIL rates.</p>				

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
	<p><b>Part 3 - Emerging Regulation 123 List / Infrastructure &amp; Section 106/278</b></p> <p><b>Regulation 123 List</b></p>				<p>3.1 The new Community Infrastructure Levy (Amendment) Regulations 2014 require the Regulation 123 list to form part of the evidence base<sup>19</sup>. We therefore welcome the publication of a draft Regulation 123 list of infrastructure for the Borough. Whilst we acknowledge this is not the final version, nor will it ever be exhaustive, it does serve as a useful guide as to the direction that the Council envisages taking in providing for the delivery of infrastructure to support the Plan.</p> <p>3.2 The proposed “Regulation 123 Lists” comprises the following:</p> <ul style="list-style-type: none"> <li>▪ <i>Schools, other educational facilities and employment schemes (excluding any facility/provision that will primarily meet demand arising directly from a large site)</i></li> <li>▪ <i>Health, social wellbeing and emergency services (excluding any facility that will primarily meet demand arising directly from a large site)</i></li> <li>▪ <i>Utility infrastructure except where related to a specific site</i></li> <li>▪ <i>Highway and public transport improvements except where related to site specific mitigation or demand directly arising from a site</i></li> <li>▪ <i>Flood defences and management of unstable land excluding any local and site specific mitigation measures to ensure a development meets national requirements</i></li> <li>▪ <i>Waste facilities excluding any site specific mitigation measures</i></li> <li>▪ <i>Social and community facilities (excluding any facility that will primarily meet demand arising directly from a large site)</i></li> <li>▪ <i>Leisure and recreational facilities (excluding any facility that will primarily meet demand arising directly from a large site)</i></li> <li>▪ <i>Green infrastructure and open space/public realm except where mitigating for the loss of existing provision or primarily meeting demand arising directly from a large site<sup>20</sup></i></li> </ul> <p>3.3 Whilst CLL welcomes a number of the items included on the Regulation 123 list, and the general approach taken by the Council in linking the Regulation 123 list directly with the IDP; we would highlight that a number of infrastructure projects included on the list are also likely to be delivered through Section 106. There is subsequently a high potential for ‘double dipping’. We are therefore concerned that a significant amount of infrastructure will continue to be sought through “site mitigation” Section 106 obligations for items of infrastructure that could otherwise have been funded by CIL and that an insufficient allowance has been tested in the supporting Viability Study.</p> <p>3.4 The Council should also be aware that the use of Section 106 obligations post-CIL are limited, as explained in the CIL Guidance – <i>“At that point no more may be collected in respect of a specific infrastructure project or a type of infrastructure through a section 106 agreement, if <b>five or more obligations</b> for that <b>project or type of infrastructure</b> have already been entered into since 6 April 2010, and it is a type of infrastructure that is capable of being funded by the levy. Where a section 106 agreement makes provision for a number of staged payments as part of a planning obligation, these payments will collectively count as a single obligation in relation to the pooling restriction” 21</i> (emphasis added).</p> <p>3.5 It is therefore unnecessary to repeatedly exclude demand resulting from large sites and site specific mitigations as the Section106 regulations already specify that this must be so. This is important as a single development and Section 106 agreement can have more than one obligation in relation to a type of infrastructure, which further restricts the Councils’ ability to pool obligations. We would therefore recommend that the Council ensure that they understand the implications of Section 106 pooling post-CIL and its impact on their intended delivery mechanism for infrastructure, with particular focus on the use of planning obligations to secure contributions towards Education provision.</p> <p>3.6 CLL would like to see further refinement of the proposed Regulation 123 list in conjunction with the production of an SPD on Planning Obligations to ensure that any potential for ‘double dipping’ is reduced. In addition to this whilst we welcome the close relationship between the IDP and the Regulation 123 list, the meaning of a number of the items on the Regulation 123 list is unclear and furthermore a number of items included on the list are very similar. We would therefore request that the</p>



Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
			level of complexity is reduced and clarity improved on the Regulation 123 List to ensure potential for 'double dipping' and/ or misinterpretation is minimised and certainty is provided to the development industry.	
			<b>Section 106 Obligations vs. CIL</b>	
			3.7 The CIL Guidance places a strong emphasis on the need for Local Authorities to demonstrate, when setting their Charging Schedule, that they have been realistic, when testing viability, about what residual Section 106 and 278 requirements will remain: <i>"When a charging authority introduces the levy, section 106 requirements should be scaled back to those matters that are directly related to a specific site... For transparency, charging authorities should have set out at examination how their section 106 policies will be varied, and the extent to which they have met their section 106 targets"</i> 22.	
			3.8 As noted in 3.6 above, we would recommend that alongside its draft Regulation 123 list and CIL charging schedule the Council should be seeking to produce a Section 106 and Planning Obligations SPD. The production of an SPD would support a holistic and realistic approach to the introduction of CIL and best ensure that the delivery of the plan is not compromised.	
			3.9 Section 106 and CIL are inextricably linked and as such should not be considered in isolation. It is therefore of paramount importance that the Council produces a draft Planning Obligations SPD document to clearly set out how CIL and Section 106 will work alongside one another on all sites. This will provide certainty to the development industry and ensure that no 'double-dipping' occurs. This should be prepared in conjunction with the draft Regulation 123 list to ensure that no items included on the list are items that the Council anticipates wanting to collect through Section 106.	
			3.10 Having reviewed this list we do not believe that the operation of CIL and Section 106 has been clearly defined and properly accounted for within the viability evidence. We are subsequently concerned about the scale of Section 106 contributions that will continue to be sought alongside the proposed CIL rates on sites within the Borough, particularly strategic or large sites. Given that a number of development scenarios tested were shown to be unviable irrespective of the introduction of a CIL, extra care should be taken to ensure that the obligations required through S106 in addition to CIL do not combine to threaten the delivery of development in the Borough.	
			3.11 In preparing this document, we would advise that the Council has suitable regard to the provisions of Regulation 122 of the CIL Regulations <sup>23</sup> which states: <i>"A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –</i> <ol style="list-style-type: none"> <li>a) <i>necessary to make the development acceptable in planning terms;</i></li> <li>b) <i>directly related to the development; and</i></li> <li>c) <i>fairly and reasonably related in scale and kind to the development."</i></li> </ol>	
			3.12 We would therefore highlight again that it is critical that the Council produces a Planning Obligations Strategy SPD outlining what is included within each of these generic infrastructure types. This will ensure that Section 106 and CIL can be used effectively to secure infrastructure, without 'double dipping' occurring.	
			<b>Part 4 – Effective Operation of CIL</b>	
			4.1 Despite the narrow Regulatory requirements of the Examination, our clients urge SBC to make clear at the earliest opportunity the supporting documentation needed to operate CIL and to make it available for consultation. Practically, this needs to be done prior to the Examination so that participants and stakeholders are able to comment on the effective operation of CIL. Whilst this supporting information is not tested at Examination, this information is critical to allow for the successful implementation of CIL and to demonstrate that the CIL has been prepared positively and supports sustainable development.	
			4.2 The documentation should include: <ul style="list-style-type: none"> <li>▪ Guidance on how to calculate the relevant 'chargeable development'/level of CIL;</li> <li>▪ Guidance on liability to pay CIL/Appeals process;</li> </ul>	

Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation												
<ul style="list-style-type: none"> <li>▪ Policy for payments by instalments;</li> <li>▪ Approach to payments in kind;</li> <li>▪ Guidance on relief from CIL and a policy on exceptional circumstances for relief from CIL.</li> </ul>																
<p>4.3 We provide further comment on some of these points below.</p>																
<p><b>Instalments Policy</b></p>																
<p>Methodology</p>																
<p>4.4 We welcome the publication of a draft Instalments Policy by the Council.</p>																
<p>4.5 An Instalments Policy is particularly important for larger sites, notably in respect of upfront infrastructure costs typically associated with strategic development that have a significant impact on the development’s cashflow. A proposed Instalment Policy should aim to reflect, as closely as possible, the timing of delivery of the development, to ensure that the CIL does not put unnecessary pressure on cashflow and viability.</p>																
<p>4.6 We would therefore recommend that the Instalments Policy is amended to reflect the following:</p>																
<table border="1"> <thead> <tr> <th data-bbox="257 786 425 850">Sum</th> <th data-bbox="432 786 660 850">Number of Instalments</th> <th data-bbox="667 786 1574 850">of Payments</th> </tr> </thead> <tbody> <tr> <td data-bbox="257 855 425 919">Less than £25,000</td> <td data-bbox="432 855 660 919">1</td> <td data-bbox="667 855 1574 919">Full payment within 120 days of commencement of development</td> </tr> <tr> <td data-bbox="257 924 425 1051">£25,000 - £74,999</td> <td data-bbox="432 924 660 1051">3</td> <td data-bbox="667 924 1574 1051">10% of payment within 120 days of commencement 40% of payment within 180 days of commencement 50% of payment within 270 days of commencement, or remaining balance to be paid upon substantial completion should this date fall within 270 days</td> </tr> <tr> <td data-bbox="257 1056 425 1385">£75,000 or more</td> <td data-bbox="432 1056 660 1385">4</td> <td data-bbox="667 1056 1574 1385">10% of payment within 120 days of commencement 30% of payment within 360 days of commencement 40% of payment within 720 days of commencement 20% of payment within 900 days of commencement, or remaining balance to be paid upon substantial completion should this date fall within 900 days</td> </tr> </tbody> </table>					Sum	Number of Instalments	of Payments	Less than £25,000	1	Full payment within 120 days of commencement of development	£25,000 - £74,999	3	10% of payment within 120 days of commencement 40% of payment within 180 days of commencement 50% of payment within 270 days of commencement, or remaining balance to be paid upon substantial completion should this date fall within 270 days	£75,000 or more	4	10% of payment within 120 days of commencement 30% of payment within 360 days of commencement 40% of payment within 720 days of commencement 20% of payment within 900 days of commencement, or remaining balance to be paid upon substantial completion should this date fall within 900 days
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Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>Testing</p> <p>4.7 However, as SBC is able to remove an instalments policy at any time, we would recommend that the viability testing does not include phased payments. This will ensure that sites are able to support the proposed CIL rates in the event that an instalments policy is not in place.</p> <p><b>Relief</b></p> <p>4.8 It is not the intention of the Council to offer discretionary charitable or social housing relief at present. We would remind the Council that such policies can only be applied if they are in force prior to an application being submitted, therefore the need for the policy will arise prior to it being made available.</p> <p>4.9 We do not consider there to be any detriment arising from the Council making such reliefs available within policies as part of the Charging Schedule, as the Council will still retain control over the application of the policies. There are strict tests surrounding the availability and applicability of Exceptional Circumstances Relief. It would therefore only be applicable to those schemes that can justify the need for it and meet those strict tests.</p> <p>4.10 There may well be instances where CIL (even with a buffer) would render development, which the Council may otherwise want to support, unviable. For example, there can be instances where enabling development is permitted to support the delivery of some other planning objectives, such as ensuring the future of listed buildings or to facilitate the relocation of particular uses. With the lack of flexibility under CIL compared to Section 106, it is likely that such developments will simply not happen and important policy objectives might be undermined. It is also the case that where residential development is rendered unviable, by the cumulative impact of CIL and Section 106, that the only option open to the Council will be to negotiate on affordable housing. That may not always be the most appropriate planning balance.</p> <p>4.11 We urge therefore the Council to make available Exceptional Circumstances Relief from the adoption of CIL so that it may be available within the area should planning or other policy considerations indicate that would be the most desirable outcome.</p> <p><b>Payment in Kind</b></p> <p>4.12 The CIL Regulations now allow for Payment in Kind through the provision of infrastructure. However, there remain notable deficiencies in the operation of CIL, caused primarily by the CIL Regulations, which places MDC and the development industry in a difficult position.</p> <p>4.13 The scope to reduce the CIL liability via utilisation of Payment in Kind is therefore restricted to those items of infrastructure which are not required to mitigate the impact of a development, which for strategic sites would exclude most (if not all) site-specific and ‘scheme mitigation’ infrastructure.</p> <p>4.14 Payment in Kind is therefore not a credible option, which further emphasises the need to ensure that the Regulation 123 list does not include any items of infrastructure intended to be delivered through Section 106 agreements.</p> <p><b>Reviewing CIL</b></p> <p>4.15 The Council intends to monitor the operation and implementation of CIL, conducting a review of the charging schedule in 2018, or earlier should the market be perceived to have changed significantly.</p> <p>4.16 The CIL Guidance outlines that Charging Authorities <b>‘must keep their Charging Schedules under review’</b><sup>24</sup> to ensure that CIL is fulfilling its aim and responds to market conditions. We welcome the Council’s commitment to undertake a review <i>“in 2018, or earlier should the market be perceived to have changed significantly”</i>.<sup>25</sup> However, we would recommend that regular monitoring is undertaken to ensure that any detrimental impact of CIL on housing delivery is noticed promptly and remedied. A review period of between 2-3 years from adoption, or sooner if there is a substantive change in market conditions or Central Government policy, should be publicly committed to by the Council.</p>

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
	<p><b>Conclusion</b></p> <p>4.17 Three of the key tests of the examination of a Charging Schedule are that:</p> <ol style="list-style-type: none"> <li>i. “the charging authority’s charging schedule is supported by background documents containing appropriate available evidence”;</li> <li>ii. “the proposed rate or rates are informed by and consistent with, the evidence on economic viability across the charging authority’s areas”; and</li> <li>iii. “evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area”.</li> </ol> <p>4.18 The assessment of planned development and its viability is therefore an inherent test of the Examination. The following points are therefore significant:</p> <ul style="list-style-type: none"> <li>▪ The Council does not currently have an up-to-date Objectively Assessed Housing Needs (OAHN) or a NPPF-compliant Local Plan. It is therefore difficult for the Council to accurately assess the potential impact of CIL on the delivery of the housing supply. We would therefore recommend that this work is undertaken to inform the CIL process, prior to the Draft Charging Schedule being published for consultation.</li> <li>▪ The proposed CIL rates are at the margins of viability. Given the Council’s lack of a five year land supply (applying a 20% buffer) and historic under delivery there is a subsequent risk that the CIL rates could further threaten the housing delivery in the Borough. We would therefore recommend that a <b>minimum 40% buffer</b> is included on <b>all</b> CIL rates, as all identified sites and a significant number of windfall sites need to come forward for development.</li> <li>▪ The numerical inputs of the Viability Study are generally considered to be reasonable however there are some background assumptions that need to be re-tested. Our clients would therefore like to see these changes incorporated in to the appraisals and re-run.</li> <li>▪ The draft Regulation 123 list is too complex and risks ‘double dipping’. We would recommend that this list is simplified to include only those items that are essential for the delivery of the Aligned Core Strategy.</li> <li>▪ The “nominal” rate of £20 per sq m is not supported by viability evidence and risks putting the housing supply at risk.</li> <li>▪ A Planning Obligations SPD should be produced to ensure that the use of Section 106 contributions and CIL does not threaten the delivery of housing allocations and to ensure that no ‘double dipping’ will occur.</li> </ul> <p>4.19 Moving forward, our clients are open to a meeting with SBC and its advisors to discuss the approach taken and to discuss common ground in advance of the publication of the Draft Charging Schedule.</p>				
Rep	1708	Q11	<b>Object</b>	<p>Following a thorough review of the PDCS and supporting evidence, CLL wish to make the following key observations:</p> <p>The Council does not currently have an up-to-date Objectively Assessed Housing Needs (OAHN) or NPPF-compliant Local Plan including site allocations. We would therefore recommend that this work is undertaken to inform the CIL process, prior to the Draft Charging Schedule being published for consultation;</p> <p>The proposed "nominal" CIL rates are not supported by the Viability Study;</p> <p>An insufficient viability buffer has been applied to the proposed CIL rates; and</p> <p>A number of the assumptions adopted in the Viability Study are inappropriate and result in the Viability Study over-estimating the capacity for CIL.</p>	<p>Addressed previously in Sections 3 and 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Sections 3 and 4 of the Overview Report (Feb 2015).</p>
	1709	Q11	<b>Comment</b>	<p>This representation is made in the context of the</p>	<p>Noted</p>

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				Community Infrastructure Levy (Amendment) Regulations 2014 and relevant statutory guidance (February 2014). These Regulations and associated guidance came into force on 24 February 2014. The publication of the PDCS, after this date, means that the Charging Schedule will be subject to the requirements of these latest set of Regulations and Guidance.	
	1710	Q11	<b>Comment</b>	Viability is at the forefront of Local Plan and CIL testing. It is therefore important that the Council fully understands the trade-off that occurs between affordable housing, Section 106 contributions and CIL when assessing the potential for charging a CIL in the Borough. The fundamental premise is that to enable delivery, sites must achieve a competitive land value for the landowner and provide developers the required return on investment, otherwise development will be stifled. This is recognised by the National Planning Policy Framework1 (NPPF) and is 'in-built' within the CIL Regulations (as amended). It is also the basis of the definition of viability within the Harman report.	Noted
	1711	Q11	<b>Comment</b>	The CIL Regulations previously required the Charging Authority to 'aim to strike what appears to the Charging Authority to be an appropriate balance...' (emphasis added), but the amendments now mean that the Charging Authority is required to 'strike an appropriate balance'. The onus has therefore shifted away from being a matter of opinion to a matter of fact. It is therefore of paramount importance that the proposed CIL rates are supported and consistent with the viability evidence and that the Council has undertaken sufficient work to demonstrate that the proposed rates will not put their housing supply at risk	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014); and subsequently in Section 4 of the Overview Report (Feb 2015).
	1712	Q11	<b>Comment</b>	Savills has recently published research which assesses the impact of CIL on development viability, notably the delivery of affordable housing. This research, which is attached to this representation, demonstrates the trade off required to enable a deliverable five year housing land supply, in respect of the level of CIL against affordable housing provision.	Noted and addressed previously in Sections 3 and 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Sections 3 and 4 of the Overview Report (Feb 2015).
	1713	Q11	<b>Comment</b>	As discussed it is critical for the adequate delivery of housing that CIL does not threaten the delivery of the development plan. The National Planning Policy Framework	Noted

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				(NPPF) confirms and supports this by highlighting that for Local Plans to be found 'sound', the identified housing supply should be deliverable within the plan period. Paragraph 137 of the NPPF states: "Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable."	
	1714	Q11	<b>Comment</b>	The introduction of CIL represents an additional obligation and therefore must be assessed holistically to establish the combined impact of CIL and existing planning obligations to ensure that the delivery of development would not be threatened by the introduction of CIL. We have therefore reviewed the identified housing supply for the Borough to determine whether the proposed CIL rates would threaten the delivery of development within the district.	Noted and addressed previously in Sections 3 and 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Sections 3 and 4 of the Overview Report (Feb 2015).
	1715	Q11	<b>Comment</b>	The CIL Guidance confirms that Local Authorities must have an "up-to-date" development strategy for the area in which they propose to charge CIL. In addition, it states that a Charging Authority must be able to demonstrate how the proposed levy rates will contribute towards the implementation of the Local Plan. This is not exclusive in approach and stems from the contents of Paragraph 137 of the NPPF highlighted above. SBC has a Core Strategy, adopted in 2007, along with Saved Policies from both the Southend Local Plan 1994 and the Essex and Southend Replacement Structure Plan 2001. The local policy context for Southend therefore precedes the introduction of the NPPF. The Council has indicated that they intend to undertake a review of their Core Strategy, but this has not been undertaken at this stage. The Core Strategy contains a housing target of 6,500 dwellings over the plan period (2001 - 2021). This equates to a figure of 325 dwellings per annum. The 2013 SHLAA	Noted and addressed previously in Section 3 of the Overview Report (Nov 2014); and subsequently in Section 3 of the Overview Report (Feb 2015).

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				update indicates that the intention is to 'front load' this figure (as shown in the table below) given the apparent overprovision in completions within the early years of the plan period.	
	1716	Q11	<b>Comment</b>	<p>We have noted that a substantial proportion of future dwellings in the Borough are intended to be delivered through windfall development. The NPPF (Paragraph 48) clearly sets out that Councils can include windfall sites in their five year land supply figures, but only where there is compelling evidence -</p> <p>"Local planning authorities may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens."</p> <p>We have therefore looked at historic evidence (see table below), which the Council has produced. This indicates the reliance on windfall development to deliver a significant proportion of the Borough's housing need.</p> <p>The Council has identified a strong and consistent historic delivery of windfall sites. However Paragraph 48 not only requires Authorities to show compelling evidence of delivery, but also that Windfall sites will continue to provide a reliable source of supply.</p>	Noted and addressed previously in Section 3 of the Overview Report (Nov 2014); and subsequently in Section 3 of the Overview Report (Feb 2015).
	1717	Q11	<b>Comment</b>	<p>SBC is a reasonably constrained district in both administrative and physical terms. The potential for windfall development to be reliable in the future is therefore compromised. We would advise caution in respect of a reliance on windfall development to bring forward a significant proportion of housing supply in the future. No evidence is provided that current rates of delivery will endure. In respect of CIL, care should be taken to ensure that there would not be an over-reliance on windfall development such that the anticipated collection of CIL funding, and consequently infrastructure delivery are compromised.</p>	Noted and addressed previously in Section 3 of the Overview Report (Nov 2014); and subsequently in Section 3 of the Overview Report (Feb 2015).
	1718	Q2	<b>Object</b>	The viability testing has been undertaken across a range of areas within the Borough and across a range of scales and	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				typologies of development in an attempt to address this. The results of this testing shows that a significant number of scenarios across a significant number of areas would be rendered unviable by the proposed CIL rates (in particular the "nominal rates"). We are therefore concerned that a range of development types across all identified value areas in the Borough will not come forward for development if an unviable CIL rate is applied. A point further strengthened by the fact that a number of these development scenarios are already being shown to be on the margins of viability prior to the introduction of a CIL charge.	of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1719	Q2	<b>Object</b>	This is a serious concern, indicating that the areas are at the margins of viability and therefore the application of a CIL charge could threaten the delivery of the Plan. We welcome therefore the Council's inclusion of a buffer on the proposed viability rates, but question whether the buffer is set at the correct level given the assumptions made in the testing scenarios, as discussed further in the sections below.	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1720	Q2	<b>Object</b>	When taking an average of completions across the plan period, SBC is on target to meet the housing need identified in the Core Strategy. However, we consider it unacceptable for a Council to use an 'average' figure to make up for shortfall in completions within other years and effectively 'mask' a persistent under delivery. As such we would expect a 20% buffer to be applied to the calculation of Objectively Assessed Need (OAN) to take account of the persistent under delivery in housing across the Borough since 2007. We therefore believe that the Council currently has a housing land supply of 4.75 years, as applying a 20% buffer to the OHN indicates a need for 2,003 dwellings. Based on this above analysis, it is therefore vital that all identified sites in the Borough come forward. The Council should therefore take steps to ensure that the CIL charges are set well below the margins of viability to ensure that they do not threaten the delivery of the identified housing need. An argument supported by the CIL Guidance, which states that "charging authorities should set a rate which does not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan".	Noted and addressed previously in Section 3 of the Overview Report (Nov 2014); and subsequently in the Section 3 of the Overview Report (Feb 2015).
	1721	Q2	<b>Object</b>	Values	Noted and addressed previously in Section 4 of the Overview



	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>The approach taken by BNP in assessing the BLVs is complex and does not appear to be directly linked back to the five year land supply. The four BLVs quoted do not appear to be supported by market evidence and there is no explanation of how these BLVs apply to each of the identified market areas.</p> <p>We would therefore ask that SBC provide further market evidence and commentary to explain, in relation to each market area, which BLV is most appropriate and how this relates back to the land supply coming forward in these areas (i.e. which BLV is most appropriate in each market area). This will ensure that the analysis of the viability appraisals in each area is appropriate given the nature of the sites coming forward for development.</p>	Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1722	Q2	<b>Comment</b>	<p><b>Application</b></p> <p>Large, strategic sites require a significant amount of land to enable them to deliver certain items of on-site infrastructure, such as public open space and educational facilities. Consequently the reduction from gross land area to net developable area can range substantially with reductions ranging from 40 - 60%.</p> <p>Whilst the development density applied to the net site area may be appropriate within the Viability Study, the gross land take is particularly important when comparing the Residual Land Value (RLV) with the BLV. If the BLV is reported on a per net acre basis, it is therefore important that the RLV is applied to the correct net area. Similarly, if the BLV is on a gross basis then the RLV should be applied to the total (gross) site area.</p> <p>Looking at the viability summary tables contained in the BNP viability study it is unclear whether the BLV has been applied to the net or gross site area. We would therefore ask that BNP confirm what assumption has been made as this is critical in establishing whether or not the proposed rates of CIL are viable.</p>	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1723	Q2	<b>Object</b>	<p><b>Professional Fees</b></p> <p>CLL is concerned that the level of professional fees adopted is too low (10% across all typologies). In our experience, the level of professional fees do not vary across location or market areas but depend on the size and complexity of the site in question. We would therefore advocate that large</p>	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				greenfield and complex brownfield sites are likely to attract higher professional fees on account of enabling works and additional abnormal costs (i.e. remediation, demolition). We would therefore request that a minimum allowance of 12% for professional fees be adopted across all typologies to reflect the nature of the five year land supply coming forward.	
	1724	Q2	<b>Comment</b>	<p>Cashflow &amp; Distribution of Costs</p> <p>We understand that BNP adopt a bespoke spreadsheet model to undertake the appraisals for each of the typologies. Within the Viability Study, the appraisal summary sheet detailing the inputs for each typology has been attached as an appendix to the report. There is little explanation in the viability assessment on the distribution of the costs throughout the development period. We would welcome further disclosure of the cashflow assumptions used during the appraisals.</p>	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1725	Q2	<b>Object</b>	<p>Developer's Profit</p> <p>The minimum acceptable profit margin for the lending institutions and national house builders is a minimum of 20% on GDV blended across both the private and affordable dwellings. At present, the viability appraisals assume 20% on GDV for the private housing and 6% on cost for the affordable, which equates to a blended rate of approximately 17.5% on GDV.</p> <p>We would therefore ask that an allowance of 20% on GDV is included in the viability testing. This profit level was endorsed via the Manor appeal decision in Shinfield. It has also been included in Maldon District Council's supporting viability work produced by HDH Planning &amp; Development who are currently preparing supporting viability evidence for 24 Local Authorities.<sup>14</sup></p>	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1726	Q3	<b>Object</b>	<p>We have reviewed the Viability Study supporting the PDCS, in particular the results of the viability appraisals run by BNP. Our client's particular concern relates to the "nominal" rate of £20 per sq m proposed by BNP, which has been applied to Market Areas 1-3.</p> <p>We have reproduced the viability appraisal results for Typologies 7-9, which are based on policy compliant affordable housing (30%) provision and a residual Section</p>	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>106 allowance of £1,012 per unit:</p> <p>All of these results show that the Market Area 1-3 sites cannot support a CIL rate, even with varying BLVs. A point acknowledged by BNP, who commented "the results indicate that viability of residential development is currently challenging in certain locations". Even with reductions in affordable housing levels, BNP acknowledges that "the results indicate that viability of residential development is currently challenging in certain locations". These certain locations refer to Market Areas 1-3, with Areas 2-3 remaining widely unviable and Area 1 completely unviable.</p>	
	1727	Q3	<b>Object</b>	<p>We therefore question how a CIL rate of £20 per sq m can be justified when the supporting viability evidence clearly shows that it is unviable. A point that becomes even harder to understand when you consider the local housing supply position, which indicates a reliance on windfall sites and a previous under-delivery. The Council does not therefore know where a significant amount of housing will be delivered, which puts an even greater importance on the CIL rates be set at a viable rate in all market areas. The following commentary by BNP is therefore concerning: "For residential schemes, the application of CIL is unlikely to be an overriding factor in determining whether or not a scheme is viable. When considered in context of total scheme value, CIL will be a modest amount, typically accounting for between 0.9% and 1.6% of value. Some schemes would be unviable even if a zero CIL were adopted. We therefore recommend that the Council pays limited regard to these schemes."</p>	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1728	Q3	<b>Object</b>	<p>The CIL Guidance clearly states that "If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development." A point further emphasised by the CIL Guidance which highlights that Local Authorities have a positive duty to show that their CIL rates are appropriate: "A charging authority must use 'appropriate available evidence' to inform their draft charging</p>	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				schedule...Charging authorities need to demonstrate that their proposed levy rate or rates are informed by 'appropriate available' evidence and consistent with that evidence across their areas as a whole.'	
	1729	Q3	<b>Object</b>	In light of these decisions, we are therefore of the view that a "nominal" rate of £20 per sq m is not appropriate. Particularly as the evidence base prepared by BNP clearly indicates that the application of a CIL rate renders sites unviable. We would therefore ask that SBC review their CIL rates.	Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).
	1730	Q11	<b>Comment</b>	The new Community Infrastructure Levy (Amendment) Regulations 2014 require the Regulation 123 list to form part of the evidence base <sup>19</sup> . We therefore welcome the publication of a draft Regulation 123 list of infrastructure for the Borough. Whilst we acknowledge this is not the final version, nor will it ever be exhaustive, it does serve as a useful guide as to the direction that the Council envisages taking in providing for the delivery of infrastructure to support the Plan. The proposed "Regulation 123 Lists" comprises the following: *Schools, other educational facilities and employment schemes (excluding any facility/provision that will primarily meet demand arising directly from a large site) *Health, social wellbeing and emergency services (excluding any facility that will primarily meet demand arising directly from a large site) *Utility infrastructure except where related to a specific site *Highway and public transport improvements except where related to site specific mitigation or demand directly arising from a site *Flood defences and management of unstable land excluding any local and site specific mitigation measures to ensure a development meets national requirements *Waste facilities excluding any site specific mitigation measures *Social and community facilities (excluding any facility that will primarily meet demand arising directly from a large site) *Leisure and recreational facilities (excluding any facility that will primarily meet demand arising directly from a large	Noted

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				site) * Green infrastructure and open space/public realm except where mitigating for the loss of existing provision or primarily meeting demand arising directly from a large site	
	1731	Q11	<b>Object</b>	Whilst CLL welcomes a number of the items included on the Regulation 123 list, and the general approach taken by the Council in linking the Regulation 123 list directly with the IDP; we would highlight that a number of infrastructure projects included on the list are also likely to be delivered through Section 106. There is subsequently a high potential for 'double dipping'. We are therefore concerned that a significant amount of infrastructure will continue to be sought through "site mitigation" Section 106 obligations for items of infrastructure that could otherwise have been funded by CIL and that an insufficient allowance has been tested in the supporting Viability Study.	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.
	1732	Q11	<b>Object</b>	The Council should also be aware that the use of Section 106 obligations post-CIL are limited, as explained in the CIL Guidance. It is therefore unnecessary to repeatedly exclude demand resulting from large sites and site specific mitigations as the Section106 regulations already specify that this must be so. This is important as a single development and Section 106 agreement can have more than one obligation in relation to a type of infrastructure, which further restricts the Councils' ability to pool obligations. We would therefore recommend that the Council ensure that they understand the implications of Section 106 pooling post-CIL and its impact on their intended delivery mechanism for infrastructure, with particular focus on the use of planning obligations to secure contributions towards Education provision.	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.
	1733	Q11	<b>Comment</b>	CLL would like to see further refinement of the proposed Regulation 123 list in conjunction with the production of an SPD on Planning Obligations to ensure that any potential for 'double dipping' is reduced. In addition to this whilst we welcome the close relationship between the IDP and the Regulation 123 list, the meaning of a number of the items on the Regulation 123 list is unclear and furthermore a number of items included on the list are very similar. We would therefore request that the level of complexity is	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				reduced and clarity improved on the Regulation 123 List to ensure potential for 'double dipping' and/ or misinterpretation is minimised and certainty is provided to the development industry	
	1734	Q11	Comment	The CIL Guidance places a strong emphasis on the need for Local Authorities to demonstrate, when setting their Charging Schedule, that they have been realistic, when testing viability, about what residual Section 106 and 278 requirements will remain: "When a charging authority introduces the levy, section 106 requirements should be scaled back to those matters that are directly related to a specific site... For transparency, charging authorities should have set out at examination how their section 106 policies will be varied, and the extent to which they have met their section 106 targets".	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.
	1735	Q11	Comment	As noted, we would recommend that alongside its draft Regulation 123 list and CIL charging schedule the Council should be seeking to produce a Section 106 and Planning Obligations SPD. The production of an SPD would support a holistic and realistic approach to the introduction of CIL and best ensure that the delivery of the plan is not compromised.	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.
	1736	Q11	Comment	Section 106 and CIL are inextricably linked and as such should not be considered in isolation. It is therefore of paramount importance that the Council produces a draft Planning Obligations SPD document to clearly set out how CIL and Section 106 will work alongside one another on all sites. This will provide certainty to the development industry and ensure that no 'double-dipping' occurs. This should be prepared in conjunction with the draft Regulation 123 list to ensure that no items included on the list are items that the Council anticipates wanting to collect through Section 106.	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.
	1737	Q11	Object	Having reviewed this list we do not believe that the operation of CIL and Section 106 has been clearly defined and properly accounted for within the viability evidence. We are subsequently concerned about the scale of Section 106 contributions that will continue to be sought alongside the proposed CIL rates on sites within the Borough, particularly strategic or large sites. Given that a number of	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				development scenarios tested were shown to be unviable irrespective of the introduction of a CIL, extra care should be taken to ensure that the obligations required through S106 in addition to CIL do not combine to threaten the delivery of development in the Borough.	
	1738	Q11	<b>Comment</b>	<p>In preparing this document, we would advise that the Council has suitable regard to the provisions of Regulation 122 of the CIL Regulations<sup>23</sup> which states:</p> <p>"A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is -</p> <p>a) necessary to make the development acceptable in planning terms;</p> <p>b) directly related to the development; and</p> <p>c) fairly and reasonably related in scale and kind to the development."</p> <p>We would therefore highlight again that it is critical that the Council produces a Planning Obligations Strategy SPD outlining what is included within each of these generic infrastructure types. This will ensure that Section 106 and CIL can be used effectively to secure infrastructure, without 'double dipping' occurring.</p>	Noted and addressed previously in paragraphs 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.10-6.12 of the Overview Report (Feb 2015). The Council has since prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.
	1739	Q11	<b>Comment</b>	<p>Despite the narrow Regulatory requirements of the Examination, our clients urge SBC to make clear at the earliest opportunity the supporting documentation needed to operate CIL and to make it available for consultation. Practically, this needs to be done prior to the Examination so that participants and stakeholders are able to comment on the effective operation of CIL. Whilst this supporting information is not tested at Examination, this information is critical to allow for the successful implementation of CIL and to demonstrate that the CIL has been prepared positively and supports sustainable development. The documentation should include:</p> <ul style="list-style-type: none"> <li>*Guidance on how to calculate the relevant 'chargeable development'/level of CIL;</li> <li>*Guidance on liability to pay CIL/Appeals process;</li> <li>*Policy for payments by instalments;</li> <li>*Approach to payments in kind;</li> <li>*Guidance on relief from CIL and a policy on exceptional circumstances for relief from CIL.</li> </ul>	Noted and documentation referred to published by the Council as part of the Draft Charging Schedule consultation.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
	1740	Q6	<b>Comment</b>	<p>Methodology</p> <p>We welcome the publication of a draft Instalments Policy by the Council.</p> <p>An Instalments Policy is particularly important for larger sites, notably in respect of upfront infrastructure costs typically associated with strategic development that have a significant impact on the development's cashflow. A proposed Instalment Policy should aim to reflect, as closely as possible, the timing of delivery of the development, to ensure that the CIL does not put unnecessary pressure on cashflow and viability.</p>	Noted and addressed previously in paragraphs 6.5-6.9 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.5-6.9 of the Overview Report (Feb 2015).
	1741	Q6	<b>Comment</b>	<p>We would therefore recommend that the Instalments Policy is amended to reflect the following:</p> <p>Sum Number of Instalments Payments</p> <p>Less than</p> <p>£25,000 1</p> <p>Full payment within 120 days of commencement of development</p> <p>£25,000 - £74,999 3</p> <p>10% of payment within 120 days of commencement</p> <p>40% of payment within 180 days of commencement</p> <p>50% of payment within 270 days of commencement, or remaining balance to be paid upon substantial completion should this date fall within 270 days</p> <p>£75,000 or more 4</p> <p>10% of payment within 120 days of commencement</p> <p>30% of payment within 360 days of commencement</p> <p>40% of payment within 720 days of commencement</p> <p>20% of payment within 900 days of commencement, or remaining balance to be paid upon substantial completion should this date fall within 900 days</p>	Noted and addressed previously in paragraphs 6.5-6.9 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.5-6.9 of the Overview Report (Feb 2015).
	1742	Q6	<b>Comment</b>	<p>However, as SBC is able to remove an instalments policy at any time, we would recommend that the viability testing does not include phased payments. This will ensure that sites are able to support the proposed CIL rates in the event that an instalments policy is not in place.</p>	Noted and addressed previously in paragraphs 6.5-6.9 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.5-6.9 of the Overview Report (Feb 2015).
	1743	Q8	<b>Comment</b>	<p>It is not the intention of the Council to offer discretionary charitable or social housing relief at present. We would remind the Council that such policies can only be applied if they are in force prior to an application being submitted, therefore the need for the policy will arise prior to it being</p>	Noted and addressed previously in paragraphs 6.1-6.4 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.1-6.4 of the Overview Report (Feb 2015).



	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				made available.	
	1744	Q10	Comment	We do not consider there to be any detriment arising from the Council making such reliefs available within policies as part of the Charging Schedule, as the Council will still retain control over the application of the policies. There are strict tests surrounding the availability and applicability of Exceptional Circumstances Relief. It would therefore only be applicable to those schemes that can justify the need for it and meet those strict tests.	Noted and addressed previously in paragraphs 6.1-6.4 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.1-6.4 of the Overview Report (Feb 2015).
	1745	Q10	Object	There may well be instances where CIL (even with a buffer) would render development, which the Council may otherwise want to support, unviable. For example, there can be instances where enabling development is permitted to support the delivery of some other planning objectives, such as ensuring the future of listed buildings or to facilitate the relocation of particular uses. With the lack of flexibility under CIL compared to Section 106, it is likely that such developments will simply not happen and important policy objectives might be undermined. It is also the case that where residential development is rendered unviable, by the cumulative impact of CIL and Section 106, that the only option open to the Council will be to negotiate on affordable housing. That may not always be the most appropriate planning balance. We urge therefore the Council to make available Exceptional Circumstances Relief from the adoption of CIL so that it may be available within the area should planning or other policy considerations indicate that would be the most desirable outcome.	Noted and addressed previously in paragraphs 6.1-6.4 of the Overview Report (Nov 2014); and subsequently in paragraphs 6.1-6.4 of the Overview Report (Feb 2015).
	1746	Q11	Comment	<p>Payment in Kind</p> <p>The CIL Regulations now allow for Payment in Kind through the provision of infrastructure. However, there remain notable deficiencies in the operation of CIL, caused primarily by the CIL Regulations, which places MDC and the development industry in a difficult position.</p> <p>The scope to reduce the CIL liability via utilisation of Payment in Kind is therefore restricted to those items of infrastructure which are not required to mitigate the impact of a development, which for strategic sites would exclude most (if not all) site-specific and 'scheme mitigation' infrastructure.</p> <p>Payment in Kind is therefore not a credible option, which</p>	Noted

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				further emphasises the need to ensure that the Regulation 123 list does not include any items of infrastructure intended to be delivered through Section 106 agreements.	
	1747	Q11	<b>Comment</b>	<p>Reviewing CIL</p> <p>The Council intends to monitor the operation and implementation of CIL, conducting a review of the Charging Schedule in 2018, or earlier should the market be perceived to have changed significantly.</p> <p>The CIL Guidance outlines that Charging Authorities 'must keep their Charging Schedules under review' to ensure that CIL is fulfilling its aim and responds to market conditions. We welcome the Council's commitment to undertake a review "in 2018, or earlier should the market be perceived to have changed significantly". However, we would recommend that regular monitoring is undertaken to ensure that any detrimental impact of CIL on housing delivery is noticed promptly and remedied. A review period of between 2-3 years from adoption, or sooner if there is a substantive change in market conditions or Central Government policy, should be publicly committed to by the Council.</p>	Noted and addressed in Section 5 of the Draft Charging Schedule.
	1748	Q11	<b>Object</b>	<p>Conclusion</p> <p>Three of the key tests of the examination of a Charging Schedule are that:</p> <p>i."the Charging Authority's Charging Schedule is supported by background documents containing appropriate available evidence";</p> <p>ii."the proposed rate or rates are informed by and consistent with, the evidence on economic viability across the Charging Authority's areas"; and</p> <p>iii."evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area".</p> <p>The assessment of planned development and its viability is therefore an inherent test of the Examination. The following points are therefore significant:</p> <p>The Council does not currently have an up-to-date Objectively Assessed Housing Needs (OAHN) or a NPPF-compliant Local Plan. It is therefore difficult for the Council to accurately assess the potential impact of CIL on the delivery of the housing supply. We would therefore</p>	Noted and addressed as outlined above.

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>recommend that this work is undertaken to inform the CIL process, prior to the Draft Charging Schedule being published for consultation.</p> <p>The proposed CIL rates are at the margins of viability. Given the Council's lack of a five year land supply (applying a 20% buffer) and historic under delivery there is a subsequent risk that the CIL rates could further threaten the housing delivery in the Borough. We would therefore recommend that a minimum 40% buffer is included on all CIL rates, as all identified sites and a significant number of windfall sites need to come forward for development.</p> <p>The numerical inputs of the Viability Study are generally considered to be reasonable however there are some background assumptions that need to be re-tested. Our clients would therefore like to see these changes incorporated in to the appraisals and re-run.</p> <p>The draft Regulation 123 list is too complex and risks 'double dipping'. We would recommend that this list is simplified to include only those items that are essential for the delivery of the Aligned Core Strategy.</p> <p>The "nominal" rate of £20 per sq m is not supported by viability evidence and risks putting the housing supply at risk.</p> <p>A Planning Obligations SPD should be produced to ensure that the use of Section 106 contributions and CIL does not threaten the delivery of housing allocations and to ensure that no 'double dipping' will occur.</p> <p>Moving forward, our clients are open to a meeting with SBC and its advisors to discuss the approach taken and to discuss common ground in advance of the publication of the Draft Charging Schedule.</p>	
<b>Respondent</b>	<b>Savills on behalf of Roots Hall Ltd</b>				
<b>Full Submission</b>	<p>On behalf of Roots Hall Ltd we have reviewed Southend-on-Sea Borough Council's Preliminary Draft Charging Schedule and associated documents and have some comments as set out below.</p> <p>Roots Hall Ltd has an interest in land in the Borough at Roots Hall SUFC and land known as Fossetts Farm, which is identified in the Core Strategy as a Priority Urban Area and as a site suitable for a football stadium.</p> <p>We are concerned generally about the impact the proposed rates in the Preliminary Draft Charging Schedule will have on developments and that it may render them unviable. Additionally, the NPPF places a strong emphasis on growth but the rates proposed in the Draft Charging Schedule are contrary to this and may in effect curb growth. Our main concerns are set out below.</p>				

Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
<p>Regulation 14 of the Community Infrastructure Levy Regulations 2010 (as amended) requires that a charging authority, in setting levy rates, <i>‘must strike an appropriate balance between’</i> the desirability of funding infrastructure from the levy and <i>‘the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area’</i>. Amendments to the CIL Regulations which came into force on 24 February 2014 made an important change to Regulation 14 deleting the words “aim to” and “what appears to the charging authority to be” to strengthen this requirement.</p>				
<p>Paragraph 8 of the Community Infrastructure Levy Guidance (December 2012) provides further guidance on what is meant by the appropriate balance and states that: <i>‘By providing additional infrastructure to support development of an area, the levy is expected to have a positive economic effect on development across an area. In deciding the rate(s) of the levy for inclusion in its draft charging schedule, a key consideration is the balance between securing additional investment for infrastructure to support development and the potential economic effect of imposing the levy upon development across their area.’</i></p>				
<p>It is imperative that the evidence supporting CIL:</p> <ul style="list-style-type: none"> <li>▪ clearly outlines, and is based on an up to date list of, the key infrastructure projects required to support development (this being the key test of the Regulations);</li> <li>▪ Outlines an up to date, consistent and well informed evidence base of economic viability in order to test various scenarios against CIL rates.</li> </ul>				
<p>With regard to the preparation of Charging Schedules and supporting documentation it is important to have due regard to the available Government guidance, notably, the CLG Community Infrastructure Levy – an Overview (May 2011), CLG Community Infrastructure Levy Guidance (December 2012), CLG Community Infrastructure Levy Relief (May 2011), the Planning Act 2008 and the CIL Regulations 2010 (as amended). It is also important that the preparation of CIL is in line with the National Planning Policy Framework (NPPF), notably that it is delivery focused and <i>‘positively prepared’</i>. Our comments are based on these publications and the Regulations.</p>				
<p>Paragraph 17 of the NPPF outlines 12 principles for both plan making and decision taking, notably that planning should <i>“proactively drive and support sustainable economic growth”</i>. and that plan making should <i>“take account of market signals such as land prices and housing affordability”</i>. Paragraph 19 states that <i>“the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth”</i>. We are particularly concerned about the residential rates proposed in and are concerned that these could make housing developments unviable. The Viability Study (May 2014) by BNP Paribas Real Estate states: <i>‘It is also worth noting that Market Areas 1, 2 and 3 have been identified as being generally unviable and as such the application of CIL is unlikely to be the defining factor and the imposition of CIL at a zero level will not make schemes viable. Other factors (i.e. sales values, build costs or benchmark land values) would need to change to make the scheme viable. In this regard we would recommend that the Council considers a maximum nominal rate of around £20 per square metre.’</i></p>				
<p>We are not convinced by this justification. The report acknowledges that viability is already questionable in areas 1, 2 and 3 and therefore imposing any CIL rate, even if considered nominal, will further discourage housing development and therefore preclude growth / regeneration in these areas.</p>				
<p>A similar approach is taken for other uses where rates are proposed. The following extracts from the Viability Study highlight this: <i>‘At current values <b>Hotel developments</b> are identified as not being able to generate a surplus and in this regard we would recommend that the Council considers setting a nil or nominal rate for Hotel use.</i></p>				
<p><i>Should the Council wish to do so, they would be able to set a nominal rate of CIL on <b>all other uses</b> of perhaps no more than £10 per square metre. A nominal rate is unlikely to be a significant factor in developers’ decision making and could be absorbed without having a significant impact on viability across the borough. In addition, the Council could consider excluding uses such as community facilities, public healthcare and education facilities and emergency services facilities from this category, in</i></p>				

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>line with the approach taken for the Mayoral CIL. Should the Council not wish to proceed with a nominal rate on all other uses, a nil rate would apply by default unless a rate has been explicitly set.</p> <p>The results of our appraisals indicate that office developments are unlikely to be viable, unless rents increase and yields harden significantly over the life of the Charging Schedule. In this regard we recommend that the Council considers a nil or nominal rate on office developments in the borough.'</p> <p>Where there is an acknowledgement that viability is already questionable, the CIL rate should be set at nil. However the Council has proposed a rate of £10 in these cases on BNP's suggestion that this is a nominal rate. This could have the effect of undermining schemes which incorporate less valuable uses as part of a mixed use development.</p> <p>The CIL Guidance outlines that CIL should only be considered where an identified funding gap is demonstrated. The process of demonstrating this should also identify a CIL "infrastructure funding target" which should be based upon the selection of infrastructure projects or types that are identified as candidates to be funded by the levy in whole or in part. The 'gap' and 'target' is not presently clear as it is not explicitly stated and a draft Regulation 123 list has not been made available for consultation.</p> <p>The CIL Guidance states that, at Examination, authorities should 'set out those known site-specific matters where section 106 contributions may continue to be sought'. Whilst we are aware authorities are not required to produce this information and their Regulation 123 list until the Examination, we would suggest this is done earlier, preferably before the Draft Charging Schedule consultation, to allow more consultation and input from the development industry.</p> <p>Roots Hall Ltd requests to be heard by the CIL examiner in respect of their representations (if and when the CIL draft charging schedule is submitted by the Council for examination). Please ensure we are kept updated on CIL developments and in the meantime do not hesitate to contact me should you have any queries.</p>	
Rep	1749	Q3	Object	<p>We are concerned generally about the impact the proposed rates in the Preliminary Draft Charging Schedule will have on developments and that it may render them unviable. Additionally, the NPPF places a strong emphasis on growth but the rates proposed in the Draft Charging Schedule are contrary to this and may in effect curb growth.</p>	<p>Noted and addressed previously in Sections 3 and 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Sections 3 and 4 of the Overview Report (Feb 2015).</p>
	1750	Q11	Comment	<p>Regulation 14 of the Community Infrastructure Levy Regulations 2010 (as amended) requires that a Charging Authority, in setting levy rates, 'must strike an appropriate balance between' the desirability of funding infrastructure from the levy and 'the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area'. Amendments to the CIL Regulations which came into force on 24 February 2014 made an important change to Regulation 14 deleting the words "aim to" and "what appears to the Charging Authority to be" to strengthen this requirement.</p>	<p>Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).</p>
	1751	Q11	Comment	<p>It is imperative that the evidence supporting CIL: * clearly outlines, and is based on an up to date list of, the key infrastructure projects required to support development (this being the key test of the Regulations);</p>	<p>Noted</p>

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				<p>* Outlines an up to date, consistent and well informed evidence base of economic viability in order to test various scenarios against CIL rates.</p> <p>With regard to the preparation of Charging Schedules and supporting documentation it is important to have due regard to the available Government guidance, notably, the CLG Community Infrastructure Levy - an Overview (May 2011), CLG Community Infrastructure Levy Guidance (December 2012), CLG Community Infrastructure Levy Relief (May 2011), the Planning Act 2008 and the CIL Regulations 2010 (as amended). It is also important that the preparation of CIL is in line with the National Planning Policy Framework (NPPF), notably that it is delivery focused and 'positively prepared'. Our comments are based on these publications and the Regulations.</p>	
	1752	Q3	<b>Object</b>	<p>We are not convinced by this justification. The report acknowledges that viability is already questionable in areas 1, 2 and 3 and therefore imposing any CIL rate, even if considered nominal, will further discourage housing development and therefore preclude growth / regeneration in these areas.</p>	<p>Noted and addressed previously in Section 4 of the Overview Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).</p>
	1753	Q2	<b>Comment</b>	<p>A similar approach is taken for other uses where rates are proposed. The following extracts from the Viability Study highlight this:</p> <p>'At current values Hotel developments are identified as not being able to generate a surplus and in this regard we would recommend that the Council considers setting a nil or nominal rate for Hotel use.</p>	<p>Noted</p>
	1754	Q3	<b>Comment</b>	<p>Should the Council wish to do so, they would be able to set a nominal rate of CIL on all other uses of perhaps no more than £10 per square metre. A nominal rate is unlikely to be a significant factor in developers' decision making and could be absorbed without having a significant impact on viability across the Borough. In addition, the Council could consider excluding uses such as community facilities, public healthcare and education facilities and emergency services facilities from this category, in line with the approach taken for the Mayoral CIL. Should the Council not wish to proceed with a nominal rate on all other uses, a nil rate would apply by default unless a rate has been explicitly set.</p>	<p>Noted – this comment is consistent with what the Council is proposing; namely, a nominal £10/sqm rate for 'All other uses not cited...' elsewhere in the table of 'Proposed CIL rates'.</p>
	1755	Q3	<b>Object</b>	<p>The results of our appraisals indicate that office</p>	<p>Noted and addressed previously in Section 4 of the Overview</p>

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				<p>developments are unlikely to be viable, unless rents increase and yields harden significantly over the life of the Charging Schedule. In this regard we recommend that the Council considers a nil or nominal rate on office developments in the Borough.'</p> <p>Where there is an acknowledgement that viability is already questionable, the CIL rate should be set at nil. However the Council has proposed a rate of £10 in these cases on BNP's suggestion that this is a nominal rate. This could have the effect of undermining schemes which incorporate less valuable uses as part of a mixed use development.</p>	<p>Report (Nov 2014), which included a detailed response on behalf of the Council from BNP Paribas Real Estate; and subsequently in Section 4 of the Overview Report (Feb 2015).</p> <p>The proposed £10/sqm rate for 'All other uses not cited...' elsewhere in the table of 'Proposed CIL rates' is considered to be nominal.</p>
	1756	Q1	<b>Comment</b>	<p>The CIL Guidance outlines that CIL should only be considered where an identified funding gap is demonstrated. The process of demonstrating this should also identify a CIL "infrastructure funding target" which should be based upon the selection of infrastructure projects or types that are identified as candidates to be funded by the levy in whole or in part. The 'gap' and 'target' is not presently clear as it is not explicitly stated and a draft Regulation 123 list has not been made available for consultation.</p>	<p>Noted and addressed previously in paragraphs 4.8-4.13 of the Overview Report (Nov 2014), which relates to Infrastructure Evidence; and subsequently in paragraphs 4.9-4.14 of the Overview Report (Feb 2015). In addition, the Council prepared a more detailed draft Regulation 123 Infrastructure List, which was published with the Draft Charging Schedule consultation documents.</p>
	1757	Q11	<b>Comment</b>	<p>The CIL Guidance states that, at Examination, authorities should 'set out those known site-specific matters where section 106 contributions may continue to be sought'. Whilst we are aware authorities are not required to produce this information and their Regulation 123 list until the Examination, we would suggest this is done earlier, preferably before the Draft Charging Schedule consultation, to allow more consultation and input from the development industry.</p> <p>Roots Hall Ltd requests to be heard by the CIL examiner in respect of their representations (if and when the CIL draft Charging Schedule is submitted by the Council for examination). Please ensure we are kept updated on CIL developments</p>	<p>Noted and addressed previously in paragraphs 4.8-4.13, 6.10 and 6.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 4.9-4.14, 6.10-6.12 of the Overview Report (Feb 2015). In addition, the Council prepared a more detailed draft Regulation 123 Infrastructure List and revised SPD2: Planning Obligations, which were published with the Draft Charging Schedule consultation documents.</p>
<b>Respondent</b>	<b>Smart Planning on behalf of NHS England</b>				
<b>Full Submission</b>	<p>Thank you for consulting NHS England on the above emerging Local Development Plan (LDP) Document.</p> <p>NHS England was consulted in the preparation of the Council's Infrastructure Delivery Plan (IDP) prior to the publication of this Preliminary Draft Charging Schedule. The initial response is reported in the IDP by Navigus Planning in June 2014, which outlined that a fee of £624,000 would be required to increase capacity and provision, in</p>				

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>line with the Essex Primary Care Strategy, Transforming Primary Care in Essex, to meet the planned growth. However, the healthcare landscape has changed to a degree, with the NHS Premises Strategy moving forward and coming closer to formal publication. In addition to general healthcare needs within Southend-on-Sea and the requirement of increased capacity to meet growth, there is potential for further major projects that will require funding. Two projects have been identified (currently at inception stage) that may potentially be advanced within the forthcoming Local Plan period and that are necessary to meet the needs of the population.</p> <p>The first is the relocation of St Luke's Healthcare Centre to provide a permanent facility capable of meeting the demand (which it currently is unable to achieve due to its size and temporary accommodation nature). The second is to completely redevelop the Shoebury Health Centre at Campfield Road, which is in a poor state of repair to an extent that refurbishment is not a viable option.</p> <p>At the present time neither project has an costed scheme in place, but both projects will involve new facilities with an associated high capital cost. It is considered both of these projects would benefit from CIL funding.</p> <p>As these are projects that NHS England may seek to undertake in due course it is considered that these should be added to the Infrastructure Delivery Plan for Southend, in order that they may subsequently receive CIL funding.</p> <p>Specifics in relation to the above can be discussed directly with NHS England via the named contact on this response form.</p> <p>.</p> <p>In reviewing the Preliminary Draft Charging Schedule generally, it is noted that healthcare is referred to on the Regulation 123 list in 'general' terms, without being specific as to what the funding will go towards (it is noted that health impacts arising from a large development will still be subject to S106 agreements from this list). Referring to healthcare in generic terms (non-specific and ambiguous), could prejudice NHS England's ability to obtain the necessary funding for healthcare improvements within Southend. It is suggested that there is clarification given on this matter prior to the Charging Schedule being progressed, and perhaps CIL funding expressly stated to go towards the healthcare service projects identified above. If a more detailed definition is not formulated, then certainty with regard to healthcare funding it may be better achieved through the continued use of S106 Agreements, and therefore healthcare removed from the Regulation 123 list.</p> <p>Assuming the recommendations are incorporated wholly within the future CIL Charging Schedule then NHS England would not wish to raise an objection. The recommendations set out above are those that NHS England deem appropriate having regard to the projected needs arising. However, if the recommendations are not implemented then NHS England reserve the right to make representations about the soundness of the Charging Schedule at relevant junctures during the adoption process.</p>	
Rep	Q11	1699	Comment	<p>NHS England was consulted in the preparation of the Council's Infrastructure Delivery Plan (IDP) prior to the publication of this Preliminary Draft Charging Schedule. The initial response is reported in the IDP by Navigus Planning in June 2014, which outlined that a fee of £624,000 would be required to increase capacity and provision, in line with the Essex Primary Care Strategy, Transforming Primary Care in Essex, to meet the planned growth. However, the healthcare landscape has changed to a degree, with the NHS Premises Strategy moving forward and coming closer to formal publication. In addition to general healthcare needs within Southend-on-Sea and the requirement of increased capacity to meet growth, there is potential for further major projects that will require funding.</p>	<p>Provision, improvement, replacement, operation or maintenance of Primary Healthcare facilities is included in the Council's draft Regulation 123 Infrastructure List, which was published with the Draft Charging Schedule consultation documents.</p>



	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
	Q11	1700	<b>Comment</b>	<p>Two projects have been identified (currently at inception stage) that may potentially be advanced within the forthcoming Local Plan period and that are necessary to meet the needs of the population.</p> <p>The first is the relocation of St Luke's Healthcare Centre to provide a permanent facility capable of meeting the demand (which it currently is unable to achieve due to its size and temporary accommodation nature). The second is to completely redevelop the Shoebury Health Centre at Campfield Road, which is in a poor state of repair to an extent that refurbishment is not a viable option.</p>	See above
	Q11	1701	<b>Comment</b>	<p>At the present time neither project has an costed scheme in place, but both projects will involve new facilities with an associated high capital cost. It is considered both of these projects would benefit from CIL funding.</p> <p>As these are projects that NHS England may seek to undertake in due course it is considered that these should be added to the Infrastructure Delivery Plan for Southend, in order that they may subsequently receive CIL funding</p>	See above
	Q11	1702	<b>Comment</b>	<p>In reviewing the Preliminary Draft Charging Schedule generally, it is noted that healthcare is referred to on the Regulation 123 list in 'general' terms, without being specific as to what the funding will go towards (it is noted that health impacts arising from a large development will still be subject to S106 agreements from this list). Referring to healthcare in generic terms (non-specific and ambiguous), could prejudice NHS England's ability to obtain the necessary funding for healthcare improvements within Southend. It is suggested that there is clarification given on this matter prior to the Charging Schedule being progressed, and perhaps CIL funding expressly stated to go towards the healthcare service projects identified above. If a more detailed definition is not formulated, then certainty with regard to healthcare funding it may be better achieved through the continued use of S106 Agreements, and therefore healthcare removed from the Regulation 123 list. Assuming the recommendations are incorporated wholly within the future CIL Charging Schedule then NHS England would not wish to raise an objection. The recommendations</p>	See above

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				set out above are those that NHS England deem appropriate having regard to the projected needs arising. However, if the recommendations are not implemented then NHS England reserve the right to make representations about the soundness of the Charging Schedule at relevant junctures during the adoption process	
<b>Respondent</b>	<b>Natural England</b>				
<b>Full Submission</b>	After careful consideration of the information provided it is of our opinion that the proposed preliminary draft charging schedule does not significantly affect priority areas for Natural England, therefore we do not wish to offer any substantive comments. We are pleased to see and would be supportive of Open Space provision as per proposed schedule.				
<b>Respondent</b>	<b>Highways Agency</b>				
<b>Full Submission</b>	We have no comment to make on your proposals				



## **Responses to Savills' Representations to: Southend-on-Sea's Preliminary Draft Charging Schedule Consultation September 2014**

### **Proposed rates**

The CIL Guidance identifies that Charging Authorities do not have to set a nil rate, they can set a low rate. It is the Charging Authority's prerogative to establish the appropriate balance between raising money from CIL to deliver much needed infrastructure to support development in their area and not putting development across the Charging Authority area at risk. In this regard it is noted that the CIL Guidance identifies that *'there is no requirement for a proposed rate to exactly mirror the evidence... There is room for some pragmatism.'*

The rates proposed are of a nominal level and the CIL charge proposed is unlikely to be the determining factor in relation to viability and to have an impact on a developer's decision making as to whether to bring forward a development or not i.e. the proposed charges equate to no more than 2% and in most cases below 1.5% of scheme costs for residential and 1% for commercial uses<sup>1</sup>. A CIL Charge of this level is hardly likely to threaten the delivery of the Local Plan, particularly as CIL is not an entirely new charge and Savills have not provided any evidence that would demonstrate that a cost that amounts to less than 2% of development costs would threaten the economic viability of development across the Council's area and therefore the delivery of the Local Plan.

In relation to residential Market Areas 1, 2 and 3, hotel and office uses, which are identified as being unviable, we would highlight that it is not CIL that is making development unviable. Such developments will require changes in sales values and build costs, which will have a larger impact on viability to improve before they come forward.

We note that the LB Newham CIL Examiner identified in his report that, *'if a scheme is not viable before CIL is levied it is unlikely to come forward and CIL is, therefore, unlikely to be a material consideration in any development decision'*. This is particularly pertinent in Southend on Sea, where should a development come forward, the CIL charges proposed are of such a nominal level that they are unlikely to have an impact on a developer's decision making as to whether to bring forward a development or not. It is also worth noting that CIL is not a wholly new charge; it will replace the majority of S.106 and S278 contributions previously required. It would be unreasonable to expect developments not to contribute towards the delivery of necessary infrastructure required to support the growth envisaged by the Local Plan and without such infrastructure development would not be sustainable. In this regard the Council considers that it has struck an appropriate balance between needing to raise money to fund infrastructure whilst not putting the delivery of their Local Plan a risk, as required by Regulation 14.

We would also highlight that the rates have been set based on the assumption of no deduction for existing floorspace, thereby providing the worst case scenario. This is particularly pertinent given that the Borough's housing supply is identified as coming predominantly from previously developed sites.

### **Trade-off between funding infrastructure and affordable housing**

As identified above CIL should not be regarded simply as a cost on top of current development costs. S.106 contributions are to be scaled back from April 2015 and CIL is replacing a S.106 charge that was previously sought on sites, the only difference being that this element would no longer be negotiable and taking a practical view of the viability position of sites, going forward other policies may need to flex to accommodate this in certain circumstances. This is the current position and we understand that the Council has in some recent instances accepted a reduced affordable housing provision based on overall scheme viability.

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<sup>1</sup> With the exception of retail Convenience based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres) for which the charge equates to circa 2.5% of scheme value.



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It is noted that not all sites in the Borough are capable of delivering the full policy levels of affordable housing at 20-30% and this is the Councils' experience on the ground. In this regard we would highlight that the CIL Examiner's report for the LB Newham's CIL Charging Schedule acknowledged at paras 15 and 16 that;

*'The Core Strategy was adopted in January 2012. Policy H2 was supported by an Affordable Housing Economic Viability Study and seeks the provision of 35 to 50% affordable housing on sites with a capacity of 10 units or more. However, the Council concede that, at present, the majority of new schemes are unable to deliver affordable housing at the level required by Policy H2. According to the Viability Study, at 35% affordable housing, most sites are not viable regardless of CIL.*

*As stated in the Viability Study, if a scheme is not viable before CIL is levied it is unlikely to come forward and CIL is, therefore, unlikely to be a material consideration in any development decision. Consequently, the Viability Study, sensibly in my view, did not factor in unviable schemes in recommending appropriate rates. The Viability Study is based on 35% provision of affordable housing.'*

In BNPPRE's experience the proposed residential CIL rates will be a marginal factor in a scheme's viability representing an opportunity cost of circa 4% affordable housing. The quantum of affordable housing delivered on a site has a much greater impact on viability. In light of this BNP Paribas Real Estate consider that even in setting a nil rate of CIL would not ensure that the Council achieves its target level of 20/30% affordable housing on every site in the Council's area. Further, we are of the opinion that this approach would also not strike an appropriate balance between the delivery of development and the provision of infrastructure to support the growth envisaged in the adopted and emerging Local Plan. The delivery of affordable housing in a local authority area is based on all sites delivering the maximum possible amount of affordable housing. This means that delivery of affordable housing on some sites will exceed the target, including 100%, whilst others will only be able to support levels lower than the target. This is due to all sites having different viability characteristics, and as such the ability to deliver affordable housing will differ from site to site and potentially even from scheme to scheme on a particular site.

### **Viability buffer**

There is no prescribed level of buffer that a Charging Authority is required to adopt; this is entirely a matter for the Charging Authority's judgement when striking the appropriate balance; the CIL Guidance and regulations simply require the CIL charge not to be set at the margins of viability. Given that the Council has adopted a reasonable buffer and that the rates proposed are of such a nominal level that they are unlikely to impact on the deliverability of schemes, it is considered that the Council has struck an appropriate balance as required by Regulation 14.

It should be noted that the rate for Areas 1, 2 and 3 is not a maximum viable rate as these areas are identified as being unviable. Rather, the rates are a maximum nominal rate suggested by BNP Paribas Real Estate, i.e. at this level it is considered that the rate would not have an impact on a developer's decision making as it is such a small percentage of development costs. In this regard there is no need for a buffer as the rate is simply set at a nominal rate.

### **Benchmark Land Values**

The Council's proposed residential growth is identified as coming predominantly from previously developed/brownfield sites and in this regard we have adopted benchmarks reflecting higher and lower value offices, industrial/warehouse uses and sites in community use/owned by the Council as our benchmark values. These benchmark land values are based



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on a market approach i.e. the values are arrived at through undertaking research on comparable evidence in the Borough of such uses and allowing for appropriate rents and yields based on this research and over and above this we have allowed for a premium of 20% to account for the competitive return to the landowner. This approach is in line with the Harman Group Guidance and has been through examination on various occasions and found to be appropriate by Examiners.

Given that the Councils' land supply for development is identified as being predominantly previously developed/brownfield sites we have assumed a 100% gross to net for the sites. It should be noted that the typologies tested are derived from research undertaken by BNPPRE and the Council on historic planning applications received in the Borough. As such the typologies are based on a range of actual developments within the Borough. These typologies are therefore reflective of developments that have been consented/delivered as well as those expected to come forward in the Southend-on-Sea area in future.

### **Professional fees**

We note that no evidence has been submitted by Savills to substantiate that their assertion that a 10% allowance is too low. In BNPPRE's experience professional fees range between 8% and 12%, depending on the nature of the site. We have allowed for 10% professional fees which we consider to be a reasonable assumption for an area wide viability assessment, which has been accepted at numerous Examinations. The Council have also advised that in a couple of instances the level of professional fees that have been stated in site specific viability assessments submitted in the Borough have been lower than 10%. We would highlight that the 5% contingency allowance has also been made on top of the professional fees.

With regard to abnormal costs, it is unlikely that all sites will incur abnormal costs and it is not possible or reasonable to incorporate abnormal costs such as for remediation within an area wide viability study. These costs are site specific and as such will vary across all sites. The main reason for allowing a buffer from the maximum CIL charge is to account for differences between sites. The Bristol CIL examiner identified this at Para 26 of his report dated July 2012, stating that, *'By definition, the CIL cannot make allowance for abnormal, site specific, costs. The rates have to be based on a generic analysis of a variety of size and type of schemes across the area, taking into account average local build costs, not the individual circumstances of particular sites. The fact that a few specific schemes that are already marginal may become unviable in certain locations should not have a significant impact on the delivery of new housing across the city to meet the requirements of the adopted CS.'* In addition it is considered that the costs associated with the remediation of such sites would be taken into consideration in the land value.

### **Developer's profit**

BNPPRE strongly disagrees, the profit margin relates to risk. The approach taken reflects the reduced risk associated with developing affordable housing as any risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer. A reduced profit level on the affordable housing reflects the GLA 'Development Control Toolkit' guidance and the Homes and Communities Agency's guidelines in both its Economic Appraisal Tool (EAT) and Development Appraisal Tool (DAT). We would also highlight that this approach has been accepted at numerous CIL examinations and site specific assessments that BNPPRE has undertaken.

### **Instalments policy**

BNPPRE note that the Council's Instalments Policy is not a matter that the Examiner is required to consider as part of the examination of the Council's Charging Schedule and further that the Council is able to amend their instalments policy at any point in time. The CIL Guidance 2014 identifies that, 'If



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the Charging Authority wishes to publish a new instalments policy, or withdraw the policy, it must give at least 28 days' notice before the new policy takes effect and/or old policy is withdrawn.'

Notwithstanding the above, we have considered the Savills' proposed amendments to the Council's instalments policy and set out our analysis and subsequent recommendations on this below.

**Table 1: Analysis of development based on CIL liability of £75,000**

CIL rate	Total GIA	No. Units (Ave of 72 sq m per unit)	No. Units (Ave of 95 sq m per unit)	Dev period	Council instalments policy	Savills' recommended instalments
£60	1,250	17	13	12 months 365 days	10% – 60 days (3 months) 40% – 360 days (12 months)	10% – 120 days (4 months) 30% – 360 days (12 months)
£30	2,500	35	26	18 months 540 days	50% – 540 days (18 months) or remaining balance paid on substantial completion within 540 days (18 months).	40% – 720 days (24 months) 20% - 900 days (30 months) or remaining balance paid on substantial completion within 900 days (30 months).
£20	3,750	52	39	24 months 730 days		

In light of the above analysis we consider that the Council's proposed instalments policy is not unreasonable given the likely scales of development that the identified liability would relate to. We understand that the majority of schemes coming forward in the Borough will be less than 50 unit schemes and given that the CIL applies to net additional floor area and that the large majority of schemes in the Borough will be delivered on brownfield sites, the CIL liability is likely to be lower for such schemes.

That being said the Council may wish to consider a fourth level of CIL liability and corresponding instalments say of circa £125,000/£150,000 where the payments would be in line with that identified by Savills for the £75,000 liability, to assist larger schemes' cashflows. We would also highlight that such planning permissions may also be implemented in phases, in which case charges may be payable over an extended period of time as each phase would be treated as a separate chargeable development, to which the Council's instalments policy would then apply, thereby allowing a further extension to the timing of payments. Paragraph: 056 Reference ID: 25-056-20140612 of the CIL Guidance identifies that;

*'this is expected to be especially useful for large scale, locally planned development, which is an essential element of increasing housing supply. Large scale developments which are delivered over a number of years face particular issues in relation to cashflow and the delivery of on-site infrastructure. The regulations allow for both detailed and outline permissions (and therefore 'hybrid' permissions as well) to be treated as phased developments for the purposes of the levy. This means that each phase would be a separate chargeable development and therefore liable for payment in line with any instalment policy that may be in force. The principle of phased delivery must be apparent from the planning permission. Local authorities should work positively with developers to allow such developments to be delivered in phases.'*

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
<b>Respondent</b>	Sports England (East office) Mr Roy Warren					
<b>Full Submission</b>	<p>Concern is raised about the approach taken to assessing needs for outdoor and indoor sports provision in the IDP for the following reasons:</p> <p>1. The interim approach to assessing needs for outdoor and indoor sport in the IDP is not robust and would not accord with any established guidance for assessing community sports facility needs such as Sport England's Playing Pitch Strategy guidance that has been referred to in the IDP and the Sport England's Assessing Needs and Opportunities guidance. It is therefore essential that these interim assessments are replaced as soon as possible by a robust needs assessment and strategy in order to inform and justify the draft Regulation 123 list in the CIL document and the estimated infrastructure costs associated with sports provision in table 1 of the CIL document. The current assessment would not stand up to scrutiny and the needs identified are unlikely to be representative of the extent and nature of actual needs.</p> <p>Paragraphs 11.19 and 11.36 of the IDP suggest that the completion of the sports audit may be uncertain. This is of concern as the completion of the audit is considered essential in the context of the limitations of the theoretical assessments in the IDP.</p>					
<b>Reps</b>	1.1	1703	<b>Object</b>	<p>The evidence base used in the IDP for outdoor and indoor sport is currently considered inadequate due to the theoretical assessments not being robust. There is also concern that the proposed indoor and outdoor sports audit will not be in the form of a strategy. These concerns can be addressed through the production of an indoor and outdoor sports facility strategy prepared in accordance with Sport England's relevant guidance. Sport England would be willing to provide the Council with further advice and support in relation to strategy preparation.</p> <p><i>Written Representation at Examination</i></p>	<p>The Council are advocated to address this by ensuring that the audit is completed before the CIL charging schedule reaches an advanced stage.</p> <p>While the preparation of an indoor and outdoor sports 'audit' is welcomed, there is a potential concern that the scope of such an audit may be insufficient for supporting the CIL. Audits conventionally assess supply and demand for sports facilities and identify needs and issues but do not usually go on to identify and prioritise specific actions and projects for addressing the identified needs which will be required for the IDP and the related CIL. An indoor and outdoor sports strategy (which incorporates an audit) is required to provide an appropriate and robust basis for identifying sports infrastructure needs in an IDP which can inform specific projects to be included in a</p>	<p>Amendment made to IDP in the September 2014 update for clarification purposes. Addressed previously in paragraphs 4.10 and 4.11 of the Overview Report (Nov 2014); and subsequently in paragraphs 4.10 and 4.11 of the Overview Report (Feb 2015).</p>

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
					<p>Regulation 123 list.</p> <p>To address this the Council is urged to ensure that the brief for the work is for an indoor and outdoor sports facility strategy rather than an audit to avoid a potential scenario where the scope of a completed audit is inadequate to support the IDP and CIL. It is advocated that the brief requires a strategy to be prepared in accordance with Sport England's Playing Pitch Strategy guidance (playing pitches) and Assessing Needs and Opportunities guidance (other sports facilities)</p> <p>In any case, a strategy for indoor and outdoor sport is considered to be necessary to support a future review of the Council's core strategy as well as assisting with the delivery of other Council services such as leisure, property etc in view of the absence of an up-to-date and robust assessment of needs to objectively inform strategic decisions about community sports facility provision in Southend.</p> <p>Sport England would be willing to provide the Council with further advice and support in relation to strategy preparation.</p>	
<b>Respondent</b>	<b>Planning Potential Ltd (Mr Paul Galgey)</b> <b>ALDI Stores</b>					
<b>Full Submission</b>	<p>See attachment - submitted by ALDI Stores Ltd on behalf of Planning Potential Ltd</p> <p>We write on behalf of our client, ALDI Stores Ltd (ALDI) in respect of the Community Infrastructure Levy Draft Charging Schedule (DCS), which is open for public consultation until 15th December 2014.</p>					



Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
			<p>The DCS proposes a charge of £70 per sq. m for convenience based supermarkets and superstores and retail warehousing with a net retail space greater than 280 sq.m. Convenience retail development below this floorspace threshold will be charged at £10 per sq.m.</p> <p>With two foodstores already in Southend, at Eastern Avenue and London Road, Westcliff on Sea, ALDI are actively looking for new development opportunities to expand their investment in the borough, and deliver a range of benefits to the local community. Although no new site-specific opportunities have been identified at present, our client envisages presenting new foodstore proposals to the Council in the future. However, ALDI are concerned by how the proposed charge rates for convenience retail may impact on the viability of prospective development, and hereby respond to the methodology used to calculate the proposed rate.</p> <p>ALDI Stores Ltd</p> <p>In respect of introducing our client, ALDI first entered the UK food retail market in 1990 and over the past 24 years have opened in excess of 500 'discount' foodstores, serving local communities throughout the country and employing over 13,000 people, with many more as part of its wider supply chain.</p> <p>ALDI is committed to continuing its strong investment in the UK economy, and are currently undertaking a nationwide floorspace expansion programme, with the aim of delivering new foodstores to improve and enhance their existing portfolio, creating many new employment opportunities in the process. Accordingly, it can be seen that that ALDI is an important employer at a national level and a significant investor in the UK economy.</p> <p>In retailing terms, ALDI's philosophy is to provide high quality products at discounted prices and within a pleasant shopping environment. Discounted prices are achieved through considerable bulk buying power, specialisation in the number of lines offered and maximising efficiency within the operation of the stores. ALDI does not necessarily sell goods at the lowest possible prices, but rather retails the highest quality goods at the lowest possible prices</p> <p>Stores are medium sized, typically 900sqm - 1,300sqm (net) and stock only a limited range of predominantly own-branded products. ALDI has only a limited amount of nonfood floorspace (15°/o-20°/o), which mostly contains weekly specials. This is a significant difference to larger 'Big 4' supermarkets, which can have between 30°/o-50°/o comparison floorspace.</p> <p>The ALDI store format does not include a specialist butcher, fishmonger, bakery, delicatessen or chemist, which are commonplace with larger supermarket chains. This is an important distinction with ALDI and crucial to understanding how stores operate. In practice this means that, unlike larger supermarket formats, ALDI is not a 'one-stopshop' meaning that customers also have to visit other shops and services to complete their shopping trip.</p> <p>On this basis ALDI complements, rather than competes with, existing local traders and generates considerable propensity for linked trips and associated spin-off trade. However, crucial to this is a tried and tested business model to ensure an efficient and effective operation. This is recognised by the Competition Commission, which categorises ALDI as a Limited Assortment Discounter, providing an important distinction between discount food operators and larger convenience operators.</p> <p>Representations</p> <p>We note that the DCS has been derived following a Viability Study undertaken by BNP Paribas Real Estate, which we have reviewed accordingly.</p> <p>Our primary concern is that despite the recognition of the different types of convenience retail format being pursued - through the viability testing of three development scenarios of a 279 sq.m unit, 1,000sq.m unit and a 5,000 sq.m unit -this is subsequently not reflected in the draft charging schedule. While the smallest 'express' type convenience units are subject to a proposed charge rate of £10 per sq.m, all foodstores greater than 280 sq.m floorspace are subject to the same £70 per sq.m blanket charge rate.</p>		

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						<p>This blanket charge rate is unfair and would prejudice against LAD operators, such as ALDI, by subjecting them to a charge rate that is considered equally viable for larger supermarket developments, more typical of the Big 4 operators, which are based on entirely different operational formats.</p> <p>While we support the use of a floorspace threshold to differentiate between large supermarket formats and the express formats, we believe that it would be appropriate to introduce an additional tier of differentiation within the charging schedule which would recognise LADs as operationally different to larger superstore formats.</p> <p>ALDI, as an LAD, operates on low profit margins, and their business model is based on high levels of efficiency and low overheads to enable cost savings to be passed on to their customers. There appears to be a perception that food retailers can afford to pay equal CIL charges, and that the viability of all convenience retail formats would not be jeopardised. Whilst this may be applicable for the larger 'supermarket' formats typical of the 'Big 4' operators, it is not the case for discounters.</p> <p>We consider that a 'like for like' comparison between convenience retail formats above 280 sq.m is not possible, and the generalisation of trading formats is a flaw when assessing viability. It is unreasonable for an LAD to pay a CIL charge that can be far more easily absorbed by a large format store or superstore. We remind the Council that at paragraph 37, the CIL Guidance (April 2013) states 11Charging schedules should not impact disproportionately on particular sectors or specialist forms of development. "Discount operators provide a valuable role in the convenience market, extending the local retail offer and delivering choice for those suffering from social exclusion: a key issue within the NPPF. In respect of viability, the high CIL rate may jeopardise the ability of discount convenience operators to deliver such benefits, in conflict with Paragraph 14 (1b) of the CIL Regulations 2010, which states that Councils should consider lithe potential effects (taken as a whole) of the imposition of the CIL on the economic viability of development across its area".</p> <p>The creation of a physical retail destination can introduce a number of benefits, including enhancing retail choice, stimulating competition, creating employment opportunities, and generating spin-off trade through stimulating linked trips and increased footfall, in some cases facilitating other development nearby. Essentially, we would encourage a more representative charging schedule which fully acknowledges the different types and format of convenience retail development. We would suggest that this subsequently leads to fairer representation for unique formats such as LADs in a revised charging schedule. Practically, the most effective method of differentiation would be to use an additional floorspace threshold, above and below which charge rates vary.</p> <p>Given the NPPF sets a threshold of 2,500 sq m for new development requiring full retail assessments to be undertaken, it is considered that those developments that exceed the threshold are likely to have a greater impact on local shopping patterns than those below it. We therefore consider this to be a sensible threshold to differentiate between convenience retail formats in the context of CIL. The approach would take account of different levels of viability, with non-LAD formats typical of the 'Big 4' retailers, which have greater turnover potential, exceeding the threshold, and discount operators falling within it. Both formats could continue to be separated from the smaller express format, which is already made distinct in the draft charging schedule.</p> <p>Furthermore, in considering the value that convenience retail development can have in ensuring the vitality and viability of town centres, the subsequent effect of deterringsuch development could be severe, with adverse impacts on the communities and neighbourhoods they serve possible. This argument was highlighted in the Examiner's report on Trafford Borough Council's Draft Charging Schedule, dated 31 January 2014. The report concluded that, in order to ensure that a CIL charge would not harm the vitality and viability of Sale Town Centre, by making a supermarket development proposal unviable, town centre supermarket developments should be exempt from the levy.</p> <p>Summary In summary, we would hope the Council will take on board these comments and consider the appropriateness of defining between the differing formats within the</p>

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
	<p>convenience retail sector.</p> <p>Introducing an additional floorspace threshold would help to quantify large convenience retail developments and allow LADs and smaller formats to be considered separately to larger supermarkets. Ultimately, larger foodstores would be liable for a higher levy rate, commensurate with their typical operation and average sales densities.</p> <p>ALDI has an active interest in delivering new investment in the district and look forward to exploring further site-specific opportunities to do so. However, it is hoped that the Council ensures that a commercially realistic CIL charging schedule is pursued, to ensure that the appetite for beneficial investment in the district is not discouraged. We realise that the levy is at present only in draft form, with scope for review in light of the representations received. We would be grateful if you could keep us informed of CIL progress in the borough.</p>					
Reps	3.1	1707	Comment	See attachment - submitted by Planning Potential Ltd on behalf of ALDI Stores Ltd		Noted
	3.1	1758	Comment	We note that the DCS has been derived following a Viability Study undertaken by BNP Paribas Real Estate, which we have reviewed accordingly. Our primary concern is that despite the recognition of the different types of convenience retail format being pursued - through the viability testing of three development scenarios of a 279 sq.m unit, 1,000sq.m unit and a 5,000 sq.m unit -this is subsequently not reflected in the draft charging schedule. While the smallest 'express' type convenience units are subject to a proposed charge rate of £10 per sq.m, all foodstores greater than 280 sq.m floorspace are subject to the same £70 per sq.m blanket charge rate.		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).
	3.1	1759	Object	This blanket charge rate is unfair and would prejudice against LAD operators, such as ALDI, by subjecting them to a charge rate that is considered equally viable for larger supermarket developments, more typical of the Big 4 operators, which are based on entirely different operational formats.		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).
	3.1	1760	Comment	While we support the use of a floorspace threshold to differentiate between large supermarket formats and the express formats, we believe that it would be appropriate to introduce an additional tier of differentiation within the charging schedule which would recognise LADs as operationally different to		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
				larger superstore formats.		
	3.1	1761	<b>Object</b>	ALDI, as an LAD, operates on low profit margins, and their business model is based on high levels of efficiency and low overheads to enable cost savings to be passed on to their customers. There appears to be a perception that food retailers can afford to pay equal CIL charges, and that the viability of all convenience retail formats would not be jeopardised. Whilst this may be applicable for the larger 'supermarket' formats typical of the 'Big 4' operators, it is not the case for discounters.		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).
	3.1	1762	<b>Object</b>	We consider that a 'like for like' comparison between convenience retail formats above 280 sq.m is not possible, and the generalisation of trading formats is a flaw when assessing viability. It is unreasonable for an LAD to pay a CIL charge that can be far more easily absorbed by a large format store or superstore. We remind the Council that at paragraph 37, the CIL Guidance (April 2013) states "Charging schedules should not impact disproportionately on particular sectors or specialist forms of development. "Discount operators provide a valuable role in the convenience market, extending the local retail offer and delivering choice for those suffering from social exclusion: a key issue within the NPPF. In respect of viability, the high CIL rate may jeopardise the ability of discount convenience operators to deliver such benefits, in conflict with Paragraph 14 (1b) of the CIL Regulations 2010, which states that Councils should consider the potential effects (taken as a whole) of the imposition of the CIL on the economic viability of development across its area".		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).
	3.1	1763	<b>Object</b>	The creation of a physical retail destination can introduce a number of benefits, including enhancing retail choice, stimulating competition, creating employment opportunities, and generating spin-off trade through stimulating linked trips and increased footfall, in some cases facilitating other development nearby. Essentially, we would		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				encourage a more representative charging schedule which fully acknowledges the different types and format of convenience retail development. We would suggest that this subsequently leads to fairer representation for unique formats such as LADs in a revised charging schedule. Practically, the most effective method of differentiation would be to use an additional floorspace threshold, above and below which charge rates vary.		
	3.1	1764	<b>Comment</b>	Given the NPPF sets a threshold of 2,500 sq m for new development requiring full retail assessments to be undertaken, it is considered that those developments that exceed the threshold are likely to have a greater impact on local shopping patterns than those below it. We therefore consider this to be a sensible threshold to differentiate between convenience retail formats in the context of CIL. The approach would take account of different levels of viability, with non-LAD formats typical of the 'Big 4' retailers, which have greater turnover potential, exceeding the threshold, and discount operators falling within it. Both formats could continue to be separated from the smaller express format, which is already made distinct in the draft charging schedule.		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).
	3.1	1765	<b>Comment</b>	Furthermore, in considering the value that convenience retail development can have in ensuring the vitality and viability of town centres, the subsequent effect of deterring such development could be severe, with adverse impacts on the communities and neighbourhoods they serve possible. This argument was highlighted in the Examiner's report on Trafford Borough Council's Draft Charging Schedule, dated 31 January 2014. The report concluded that, in order to ensure that a CIL charge would not harm the vitality and viability of Sale Town Centre, by making a supermarket development proposal unviable, town centre supermarket developments should be exempt from the levy.		Addressed in paragraphs 4.35-4.37 and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).
	3.1	1766	<b>Object</b>	In summary, we would hope the Council will take on		Addressed in paragraphs 4.35-4.37

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
				<p>board these comments and consider the appropriateness of defining between the differing formats within the convenience retail sector.</p> <p>Introducing an additional floorspace threshold would help to quantify large convenience retail developments and allow LADs and smaller formats to be considered separately to larger supermarkets. Ultimately, larger foodstores would be liable for a higher levy rate, commensurate with their typical operation and average sales densities.</p> <p>ALDI has an active interest in delivering new investment in the district and look forward to exploring further site-specific opportunities to do so. However, it is hoped that the Council ensures that a commercially realistic CIL charging schedule is pursued, to ensure that the appetite for beneficial investment in the district is not discouraged. We realise that the levy is at present only in draft form, with scope for review in light of the representations received. We would be grateful if you could keep us informed of CIL progress in the borough</p>		and Appendix 8 (detailed response on behalf of the Council from BNP Paribas Real Estate) of the Overview Report (Feb 2015).
<b>Respondent</b>	<b>Natural England (Mr David Hammond)</b>					
<b>Full Submission</b>	<p>After careful consideration of the information provided it is our opinion that the proposed Draft Charging Schedule does not significantly differ from the earlier consultation nor does it significantly affect any priority areas for Natural England, therefore we do not wish to offer any substantive comments. However, we would refer to our comments dated 5th August 2014, and the following general comments below.</p> <p>We really value your feedback to help us improve the service we offer. I have attached a feedback form to this letter and welcome any comments you might have about our service.</p> <p>I hope that this makes Natural England's position clear</p>					
<b>Rep</b>	1.1	1767	<b>Comment</b>	<p>After careful consideration of the information provided it is our opinion that the proposed Draft Charging Schedule does not significantly differ from the earlier consultation nor does it significantly affect any priority areas for Natural England, therefore we do not wish to offer any substantive comments. However, we would refer to our comments dated 5th August 2014, and the following general comments below.</p>		Noted
<b>Respondent</b>	<b>NHS England (NHSE) Essex Area Team</b>					

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
<b>Full Submission</b>	<p>Thank you for consulting NHS England on the above emerging Local Development Plan (LDP) Document. NHS England (NHSE) has previously given advice and guidance in its consultation response in respect of the Infrastructure Delivery Plan (IDP) and within the response on the Preliminary Draft Charging Schedule Consultation that completed on 8 September 2014. The Charging Schedule proposes a CIL charge of £0 per square metre for all new healthcare floorspace. This is wholly endorsed and welcomed by NHSE, as healthcare infrastructure should not be liable to pay CIL since it is a key component contributing to an area's well-being and sustainability. Appendix 2 of the Draft Charging Schedule contains the Draft Regulation 123 List. Within the list, it states that the CIL contributions will be payable towards the "provision, improvement, replacement, operation or maintenance of Primary Healthcare Facilities" across the Borough. In the corresponding SPD2 in relation to planning obligations, it states that "obligations will not be sought for any item of infrastructure included on the list." This is further clarified in the table that is provided on page 19 of SPD2, confirming that Section 106 Agreements will only be sought for healthcare provision where specifically required to meet a need generated directly and solely by a development (i.e. site specific need). It is therefore acknowledged that all future funding for NHSE projects will be supplied by CIL. This is taken as read to have included those projects that NHSE identified within its consultation response on the Preliminary Draft Charging Schedule (Shoebury Health Centre and St Luke's Healthcare Centre). The clarifications in respect of healthcare infrastructure for the purposes of CIL are acknowledged. NHSE wishes to be contacted in respect of any review of the Infrastructure Delivery Plan and/or the Regulation 123 list at the relevant and appropriate time, to ensure continuity in delivering sustainable primary healthcare provision. NHSE does not wish to comment on the chargeable rates on other floorspace that Southend Council has set, except for requesting that these are assessed appropriately and are directly costed against the likely infrastructure costs across the borough during the plan period, and are proportional to assist in the smooth delivery of services.</p>					
<b>Reps</b>	3.1	1769	<b>Support</b>	The Charging Schedule proposes a CIL charge of £0 per square metre for all new healthcare floorspace. This is wholly endorsed and welcomed by NHSE, as healthcare infrastructure should not be liable to pay CIL since it is a key component contributing to an area's well-being and sustainability.		Noted
	4.2	1770	<b>Comment</b>	Appendix 2 of the Draft Charging Schedule contains the Draft Regulation 123 List. Within the list, it states that the CIL contributions will be payable towards the "provision, improvement, replacement, operation or maintenance of Primary Healthcare Facilities" across the Borough. In the corresponding SPD2 in relation to planning obligations, it states that "obligations will not be sought for any item of infrastructure included on the list." This is further clarified in the table that is provided on page 19 of SPD2, confirming that Section 106 Agreements will only be sought for healthcare provision where specifically required to meet a need generated directly and solely by a development (i.e. site specific need). It is therefore acknowledged that all future funding for NHSE projects will be supplied by CIL.		Noted
	4.2	1771	<b>Comment</b>	This is taken as read to have included those projects that NHSE identified within its consultation response on the Preliminary Draft Charging Schedule		Noted

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
				(Shoebury Health Centre and St Luke's Healthcare Centre). The clarifications in respect of healthcare infrastructure for the purposes of CIL are acknowledged. NHSE wishes to be contacted in respect of any review of the Infrastructure Delivery Plan and/or the Regulation 123 list at the relevant and appropriate time, to ensure continuity in delivering sustainable primary healthcare provision.		
	3.1	1772	<b>Comment</b>	NHSE does not wish to comment on the chargeable rates on other floorspace that Southend Council has set, except for requesting that these are assessed appropriately and are directly costed against the likely infrastructure costs across the borough during the plan period, and are proportional to assist in the smooth delivery of services.		Noted
<b>Respondent</b>	<b>Essex County Council (Ms Lesley Stenhouse)</b>					
<b>Full Submission</b>	<p>Thank you for notifying Essex County Council of the above consultation. The following is an officer response from Essex County Council (ECC) to Southend on Sea Borough Council concerning the above documents, covering matters relevant to ECCs statutory service provision and its function as Minerals and Waste Planning Authority. The response does not cover ECC as a landowner and/or prospective developer. A separate response will be made on these matters (if relevant) and that response should be treated in the same way as a response from other developers and/or landholders.'</p> <p>Overall ECC broadly supports the proposed CIL Draft Charging Schedule which incorporates our earlier consultation responses to the Preliminary Draft Charging Schedule Published in July 2014.</p> <p>In particular we note and support:</p> <ul style="list-style-type: none"> <li>- Appendix 2: The additional clarification in the list CIL Regulation 123 Infrastructure List which may receive CIL monies</li> <li>- The retention of the CIL Instalment Policy as outlined in Appendix 3</li> <li>- Appendix 4: The Draft Payment in Kind and Infrastructure Payments Policy, which recognises ECC as an infrastructure provider.</li> <li>- The recognition of the strategic importance of the A127 Corridor</li> <li>- Support the production of an Equalities Impact Statement</li> </ul> <p>In respect of the Supplementary Planning Document 2, Planning Obligations, the inclusion of the revisions to clarify and distinguish between CIL projects and other planning obligations is noted.</p>					
<b>Reps</b>	1.1	1773	<b>Support</b>	The response does not cover ECC as a landowner and/or prospective developer. A separate response will be made on these matters (if relevant) and that response should be treated in the same way as a response from other developers and/or landholders.		Noted



	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
	1.1	1774	Support	Overall ECC broadly supports the proposed CIL Draft Charging Schedule which incorporates our earlier consultation responses to the Preliminary Draft Charging Schedule Published in July 2014.		Noted
	1.1	1775	Support	In particular we note and support: - Appendix 2: The additional clarification in the list CIL Regulation 123 Infrastructure List which may receive CIL monies - The retention of the CIL Instalment Policy as outlined in Appendix 3 - Appendix 4: The Draft Payment in Kind and Infrastructure Payments Policy, which recognises ECC as an infrastructure provider. - The recognition of the strategic importance of the A127 Corridor - Support the production of an Equalities Impact Statement		Noted
<b>Respondent</b>	<b>Savills on behalf of Cogent Land LLP (Miss Lizzie Cullum)</b>					
<b>Full Submission</b>	<p>This representation has been prepared by Savills (UK) Limited on behalf of Cogent Land LLP, hereafter known as Cogent Southend-on-Sea Borough Council (SBC) emerging Community Infrastructure Levy (CIL) Draft Charging Schedule.</p> <p>The Statutory CIL Guidance is clear on the narrow focus of the CIL Examination process permitted by the Regulations: -  The Examiner should establish that</p> <ul style="list-style-type: none"> <li>* The charging authority has complied with the required procedures set out in Part 11 of the Planning Act 2008 and the CIL Regulations;</li> <li>* The charging authority's draft charging schedule is supported by background documents containing appropriate available evidence;</li> <li>* The proposed rate or rates are informed by and consistent with, the evidence on economic Evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole</li> </ul> <p>Cogent has fundamental concerns with the approach proposed by the Council notably:</p> <ul style="list-style-type: none"> <li>* Unviable Rates - The current proposed CIL rates are unviable and risk rendering a significant proportion of the housing supply across the District undeliverable;</li> <li>* Incorrect Assumptions - A number of the key viability inputs adopted by PBA are incorrect. This results in an over-estimation of the maximum CIL rates that can be supported;</li> <li>* Housing Delivery Cogent believes it is important to highlight that an unviable CIL poses a real risk of a materially reduced housing delivery, which in turn will affect the level of receipts collected. This is important as the Council is relying on CIL contributing to the significant funding gap in the Borough;</li> <li>* Charging Zones - scale of development. Whilst the principle of applying differential rates is not questioned, the proposed Charging Zone 1 includes areas that the viability evidence proves cannot support a CIL rate; and</li> <li>* Housing Supply There has been persistent under-delivery housing supply is heavily reliant on unplanned development across the Borough. This is particularly important as the future housing requirements for the Council, based on emerging information from the Thames Gateway Partnership, indicates significantly higher numbers than previously delivered under the Core Strategy. It is therefore essential that a higher buffer (minimum of 40%) is incorporated</li> </ul>					

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
				<p>to reflect the already existing risk to the housing supply and to ensure the delivery of infrastructure and community facilities required to support the enhanced level of growth across the Borough, whilst ensuring that SBCs strategic objectives are met.</p> <p>As a result of these concerns we do not believe that the Council has demonstrated that the proposed rates are viable and will not threaten the delivery of the Plan. We have subsequently prepared the following representation, which looks at the following:</p> <ul style="list-style-type: none"> <li>* Section 1 Is the DCS supported by background documents containing appropriate available evidence?</li> <li>* Section 2 Are the proposed rates informed by and consistent with the evidence on economic</li> <li>* Section 3 Has SSBC provided evidence that shows that the proposed rates would not threaten delivery of the relevant Plan as a whole?</li> <li>* Section 4 The Effective Operation of CIL</li> </ul> <p>Where relevant this representation provides comment on the supporting evidence/ existing guidance and also makes reference to policy documents, a list of which can be found at Appendix 1.</p> <p>Introduction</p> <p>1.1 The purpose of this representation is to set out our specific concerns in relation to the DCS. It is intended to supplement the comments previously submitted to SSBC and does not reiterate our representations submitted to the Preliminary Draft Charging Schedule (PDCS) consultation2 (included at Appendix 2). This representation subsequently builds upon the issues we have previously raised and, where available, provides further evidence to support these concerns.</p> <p>1.2 In submitting this representation, we are only commenting on particular key areas of the evidence base. Cogent particular comments relate to the proposed rates for residential development and specifically the rate in Zone 1 (£20 per sq m).</p> <p>1.3 We would highlight that the lack of reference to other parts of the evidence base cannot be taken as agreement with them and we reserve the right to make further comments upon the evidence base at the Examination stage.</p> <p>1.4 Finally, the objective of this representation is not to oppose CIL; it merely seeks to ensure that viable rates, based on the evidence and a collective interest to deliver well planned, viable and feasible development in the Borough are adopted.</p> <p>Legislation</p> <p>1.5 The following representation is made in the context of the Community Infrastructure Levy Regulations (2010) (as amended) and relevant statutory guidance. The DCS will subsequently be subject to the requirements of the latest set of Regulations and Guidance, which came in to force on 24th February 2014.</p> <p>Is the DCS supported by background documents containing appropriate available evidence?</p> <p>2.1 As raised at the start of this representation, the Council will be required to demonstrate at Examination that the DCS is supported by appropriate available evidence 3 (emphasis added). It is therefore essential that the viability appraisals are fit for purpose and strike an appropriate balance.</p> <p>2.2 The fundamental premise is that to enable delivery, sites must achieve a competitive land value for the landowner and provide developers the required return on investment, otherwise development will be stifled. This is recognised by the National Planning Policy Framework (NPPF) and is -built Regulations (as amended). It is also the basis of the definition of viability within the Harman report.</p> <p>Appropriate Available Evidence</p> <p>2.3 Owing to the key test of Regulation 14(1)5 it is important that the viability appraisals prepared are fit for purpose. For the purpose of the DCS we have assumed that SSBC is relying on the following documents prepared by BNP Paribas Estate</p> <ul style="list-style-type: none"> <li>*CIL Viability Study (May 2014);</li> <li>*CIL Viability Addendum Note (July 2014); and</li> <li>*Responses to Savills Representation (September 2014)</li> </ul> <p>2.4 We have therefore reviewed the viability evidence set out above. Our specific comments in relation to these documents are set out below.</p>		

Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
			<p>Up-to-date Evidence</p> <p>2.5 It is fundamental that the supporting viability work incorporates reasonable assumptions reflective of the current market to ensure that the rates are set at viable levels. We are therefore concerned that the Viability Study<sup>7</sup> has not been updated since the PDCS stage. This is important; as by the time the DCS is examined the data and assumptions adopted in the viability testing will be almost 12 months out of date.</p> <p>2.6 We would therefore strongly advise that SSBC update their Viability Study to ensure that the data and inputs are appropriate.</p> <p>Viability Inputs</p> <p>2.7 Cogent and Savills continue to fundamentally disagree with a number of the assumptions made by BNP in the viability testing. These are discussed in greater detail below.</p> <p>2.8 As stated in our previous representations<sup>8</sup>, the blended profit rate adopted by BNP in the Viability Study is below the minimum level required by national housebuilders, developers and land promoters.</p> <p>2.9 We note that in their representation responses to Savills, BNP has made the following comment "BNPRE strongly disagrees (that) the profit margin relates to risk. The approach taken reflects the reduced risk associated with developing affordable housing as any risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer. A reduced profit level on the affordable housing reflects the GLA Development Control Toolkit and the Homes and Communities guidelines in both its Economic Appraisal Tool (EAT) and Development Appraisal Tool (DAT). We would also highlight that this approach has been accepted at numerous CIL examinations and site assessments BNPPRE has undertaken"</p> <p>2.10 In response, we would highlight the following:</p> <ul style="list-style-type: none"> <li>*Relationship between profit and risk BNP have commented that they do not agree that profit margins relate to risk. This contradicts the NPPF which states that to ensure viability; developments should provide competitive returns to a willing land owner and willing developer. We would also highlight a recent appeal decision where the Inspector commented that 'The amount required by a developer to undertake the development is a reflection of the anticipated risk;</li> <li>*Brownfield Land on previously developed land. These sites by their very nature can require significant upfront costs and abnormal costs that would not be required on greenfield sites. In these instances, the profit margin and Return on Capital Employed (ROCE) becomes much more important. The minimum profit margin required by housebuilders and their lenders is 20% on gross development value (GDV). However, this increases where the risk and/or upfront costs are higher, i.e. for regeneration and brownfield sites. We would therefore expect a minimum of 20% on GDV (blended) to be tested;</li> <li>*Reduced risk for affordable housing - We strongly disagree with the assertion from BNP that risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer it assumes that the developer has already secured a Registered Provider prior to securing the site. It is increasingly common for developers to purchase land prior to securing an offer from Registered Providers. In these instances, the risk has not been lowered and developers will subsequently apply the same risk profile to the entire site;</li> <li>*Toolkits The GLA and HCA toolkits were produced when grant funding was still readily available for affordable housing. In today's market, grant funding for affordable housing is less readily available. It is therefore common practice for developers to purchase sites before they have secured the sale of the affordable housing. Developers are subsequently subject to market risk across both the private and affordable housing. There is subsequently a risk associated with the affordable housing, in addition to increased holding and finance costs that was not present under previous systems of funding. A blended rate reflective of this increased risk should therefore be applied across the entire site;</li> <li>*Blended Rates BNP have applied a profit rate of 20% on GDV for the private element and 6% on GDV for the affordable. This reflects the following blended rates, which are significantly below the minimum level accepted by national house builders: <ul style="list-style-type: none"> <li>* 30% Affordable Housing 15.8% on GDV</li> <li>* 20% Affordable Housing 17.2% on GDV</li> </ul> </li> </ul> <p>2.11 In support of the above, we have attached a report on Competitive Developer Return (Appendix 3), which provides further evidence on the minimum profit margins required by Plc housebuilders. Taking all of this in to account, we would therefore ask that a minimum profit level of 20% on GDV (blended) plus 25% ROCE across all tenures, subject to consideration of the risk profile of the scheme, is adopted in the viability testing.</p>		

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				<p><b>Professional Fees</b></p> <p>2.12 As discussed previously<sup>10</sup>, we would advocate an allowance of 12% for professional fees on all typologies tested in Southend-on-Sea. We note that BNP fees range between 8% and 12%, depending on the nature of the site <sup>11</sup>. This is important, as the nature of the site can have a significant impact on the level of professional fees incurred.</p> <p>2.13 The majority of sites coming forward in Southend-on-Sea are brownfield sites. There is subsequently a strong likelihood that additional abnormal costs will be associated with their redevelopment, which will incur additional professional fees. We would also highlight that as the BLVs for these sites are based on existing use value, it is assumed that these sites do not benefit from planning permission. In our experience the following professional fees would therefore apply:</p> <ul style="list-style-type: none"> <li>*Planning application fees;</li> <li>*Planning consultant fees;</li> <li>* Architects;</li> <li>*Quantity Surveyor;</li> <li>*Engineer;</li> <li>*Site surveys (i.e. building, demolition, asbestos, ground conditions);</li> <li>*Building Regulation fees; and</li> <li>*NHBC and EPC certificates.</li> </ul> <p>2.14 In light of the above and the nature of the sites coming forward in the Borough over the plan period, we would recommend that 12% would be a suitable allowance for professional fees.</p> <p><b>Abnormals</b></p> <p>2.15 We note that BNP have confirmed in the response document<sup>12</sup> that no abnormal costs have been factored in to the appraisals and it is not possible or reasonable to incorporate abnormal costs such as for remediation within an area wide viability study. These costs are site specific and as such will vary across all sites. The main reason for In light of this, we would recommend that the proposed CIL rates are set with a significant buffer (minimum 40%). This will ensure that there is sufficient room for site specific abnormal costs and prevent the CIL rates being set at the margins of viability.</p> <p><b>Benchmark Land Values</b></p> <p>2.16In our PDCS representation, we questioned the methodology and assumptions relating to the BLVs<sup>13</sup>. We are therefore disappointed to note that the Council has failed to acknowledge our request for confirmation of which BLV is most appropriate for each market area. This is essential as the viability results vary substantially depending on which BLV is applied.</p> <p>2.17It is currently unclear how BNP has established which BLVs are appropriate in the absence of a Site Allocations Document to understand what type of site will be coming forward for development in each value area. We would therefore ask that the Council provides confirmation of which BLV is applicable to each typology in each of the Market Areas. This will ensure that the analysis and interpretation of the viability results is correct.</p> <p><b>Residual Section 106 Assumptions</b></p> <p>2.18 Having now had the opportunity to review the revised draft Regulation 123 list and Planning Obligations SPD, we remain concerned that the assumption within the BNP viability appraisals for Section 106 and 278 obligations (£1,012 per unit)is not reflective of the Councils proposed strategy post -CIL implementation.</p> <p>2.19 In the Planning Obligations SPD, we note that reference is made to an allowance of £850 per unit for Section 106 obligations. We would therefore ask that the Council provide a breakdown of the £1,012 per unit against the items indicated in the SPD to remain under Section 106.</p> <p>2.20 Finally, we would note that additional comments in respect of the Planning Obligations SPD have been submitted by Savills on behalf of Cogent.</p> <p><b>Alternative Viability Appraisals</b></p>		

Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
<p>2.21 Each of the points raised above will result in additional development costs for each of the typologies modelled. This will subsequently have a negative impact on the residual land value. We believe that BNP have under-estimated the costs associated with brownfield development across the Borough, which would reduce the capacity for sites to support CIL even further.</p> <p>2.22 Given these concerns, we have produced a set of alternative viability appraisals in order to demonstrate the impact of the underestimation of these inputs on the residual land values (RLV). For the purpose of reaching a consensus on appropriate residential CIL rates, and to enable the Examiner to make direct comparisons between our evidence and that of the Council, we have focused on two points which we feel are of the utmost importance:  *Developer's Profit  *Professional Fees</p> <p>2.22 It should be noted that failure to run sensitivity testing on consider the additional points (i.e. Section 106) discussed above does not indicate acceptance of these assumptions. However, until further evidence is provided by the Council in support of these assumptions we have excluded them from our analysis. We therefore reserve the right to submit further comments and/or sensitivity testing once this additional information has been made available.</p> <p>2.23 For simplicity, using the same assumptions BNP has used for T3 - 12 Houses, we have prepared a base appraisal and then undertaken subsequent sensitivity testing on alternative assumptions as set out in the table below.</p> <p>2.24 BNP have provided their viability appraisals in Appendix 1 of the Viability Study. We have therefore been able to use the appraisal summary of T2 -12 Houses to re-create, as close as possible, the residual land value reported by BNP. In doing so we have used ARGUS Developer appraisal software and incorporated the assumptions set out in Table 1.</p> <p>2.25 We have subsequently used the above RLV as our baseline position for comparison purposes. The results of the sensitivity testing for the alternative assumptions is set out in Table 3:</p> <p>2.26 When both the profit margin and professional fees are combined, in appraisal D, the cumulative impact is significant and results in the site becoming unviable. This is important, as if assumptions are set incorrectly (as in the BNP appraisals); the appraisals over-estimate the capacity for CIL.</p> <p>2.27 We would therefore ask that further viability testing is undertaken on all of the typologies, incorporating the points discussed above.</p> <p>Are the proposed rates informed by, and consistent with, the evidence on economic viability across the Borough?</p> <p>3.1 No further viability testing has been undertaken since the Viability Study (May 2014) and Viability Addendum (July 2014), which was produced in support of the PDCS. We have therefore assumed that these documents and have set out our comments below.</p> <p>Interpretation of Results</p> <p>3.2 As discussed in our PDCS representation, the PPG CIL Guidance<sup>17</sup> clearly states that shows that the areas includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of We are therefore concerned that despite the Viability Study indicating that there is limited capacity to pay CIL in the low value areas across the Borough that a flat residential rate of £20 per sq m has been proposed across Market Areas 1-5.</p> <p>3.3 We note that in the CIL Overview Document BNP has commented that: The CIL identifies that Charging Authorities do not have to set a nil rate; they can set a low rate in instances where developments appear to be unviable. It is the Charging Authority's prerogative to establish the appropriate balance between raising money from CIL to deliver much needed infrastructure to support development in their area and not putting development across the Charging Authority area at risk. In this regard it is noted that the CIL Guidance identifies that there is no requirement for a proposed rate to exactly mirror the evidence...There is room for some pragmatism.</p> <p>3.4 As BNP highlight, the PPG<sup>19</sup> welcomes Local Authorities taking a pragmatic approach to setting their rates. However, do not believe that the Council has justified their interpretation of the viability results and subsequent proposed CIL rates. We would therefore ask that the Council confirms the following:  1) Which BLV is relevant for each typology?  2) Which typologies are anticipated to be most prevalent in each Market Area?</p> <p>3.5 Without this information it is hard to understand how the proposed CIL rates have been determined. For example, looking at the results for Market Area 6</p>					

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			<p>(South Central Area) it is clear that the results vary significantly depending on the typology and BLV being applied.</p> <p>3.6 Of the 36 scenarios tested, only 36% suggested that a CIL rate could be supported. Given the high proportion of brownfield windfall sites coming forward in the Borough, we would expect the greatest weight to be given to the results assuming BLVs 1-3. Looking at the results, this suggests that only 7 scenarios would be able to support a CIL rate. However, the maximum CIL rates indicated by BNP in the summary table (reproduced above at Table 1) suggest a rate of £50 per sq m for Market Area 6.</p> <p>3.7 We would therefore ask that further explanation of the interpretation of the viability testing is provided, as we do not believe that the proposed CIL rates reflect the supporting viability evidence.</p> <p>Zero Rates</p> <p>3.8 In our previous representations we highlighted our concern that an unviable 'nominal' rate was being proposed by the Council. A point further strengthened by the fact that the supporting viability evidence clearly shows that a number of these development scenarios are unviable prior to the introduction of a CIL charge.</p> <p>3.9 We note the Councils response to this point in the Overview Document - Some consider that if a use is deemed to be unviable then additional charges should not be imposed. However, the viability evidence demonstrates that the proposed nominal rates are unlikely to be the determining factor in relation to viability and to have an impact on a developer's decision making as to whether to bring forward a development or not. Beneficially though, the proposed nominal rates will help provide funding towards the supporting infrastructure for growth should such developments come forward. This approach is not uncommon and is the Councils proposed approach. The CIL Guidance identifies that Charging Authorities do not have to set a nil rate; they can set a low rate in instances where developments appear to be unviable. It is the Charging Authoritys prerogative establish the appropriate balance between raising money from CIL to deliver much needed infrastructure to support development in their area and not putting development across the Charging Authority area at risk. In this regard it is noted that the CIL Guidance identifies that there is no requirement for a proposed rate to exactly mirror the evidence .... There is room for some pragmatism.</p> <p>3.10 We fundamentally disagree with this assumption and believe that the inclusion of an unviable CIL rate will have a significant influence over where development takes place and whether site come forward for development. Over 70 Local Authorities across England and Wales, with similar viability concerns, have taken a pragmatic approach to setting their CIL rates and are proposing £0 per sq m CIL rates for both strategic sites and low value areas (list included at Appendix 5).</p> <p>3.11 We would also highlight that if the CIL rate is set incorrectly, and development is prevented from coming forward, that other objectives (such as meeting housing needs and promoting the local economy) will not be met. We are therefore highly concerned that suggests that applying an additional cost to already unviable sites will not have an adverse impact on development in the Borough.</p> <p>3.12 We would therefore ask that the Council reviews their proposed rates and includes a £0 per sq m CIL rate for those Market Areas that are shown to be unviable.</p> <p>Has SSBC provided evidence showing that the proposed rates would not threaten delivery of the relevant Plan as a whole?</p> <p>Overview</p> <p>4.1 As discussed in our previous representation, we do not believe that the Council has demonstrated that the proposed CIL rates will not threaten the delivery of the Core Strategy as a whole. We note in the Overview Document that BNP makes the following comment - Savills have not provided any evidence that would demonstrate that a cost that amounts to less than 2% of the development costs would threaten the economic viability of development across the Council's area and therefore the delivery of the Local Plan.</p> <p>2.23 Firstly, we would draw the provisions of the CIL Regulations and PPG to the Council attention. Both of which place a positive duty on Local Authorities to demonstrate that their CIL rates are appropriate, as indicated by the key tests at Examination discussed in the introduction. The Council will therefore have to demonstrate at Examination that they have struck an appropriate balance and to justify that balance with evidence at Examination, showing and explaining how the rates will contribute towards the implementation of their relevant Plan.</p>		

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			<p>4.3 Secondly, we do not believe that the Council can demonstrate that the CIL Viability Evidence supports the proposed CIL rates and will not threaten the delivery of the Development Plan. We have set out our specific comments and reasoning on this point below:</p> <p>Local Context</p> <p>4.4 Analysis of viability results should always be considered in the context of the relevant Development Plan and the identified housing supply. In Local Authorities where there has been a historic under-delivery of housing (both private and affordable), as is the case in SSBC, greater attention needs to be paid to the proposed rates, as if they are set at unviable levels the Development Plan will be put at risk.</p> <p>4.5 As discussed previously, SBC's Core Strategy requires 6,500 new dwellings to be delivered over the Plan Period, which equates to 325 dwellings per annum. Since 2007, the annual housing completions have been significantly below the Core Strategy target (see Chart 1 below). The Council area is consequently considered to be persistently under-delivering and there is a need to secure significantly higher annual completions over the next 5 years to achieve the Core Strategy figures.</p> <p>4.6 It is therefore essential that the proposed CIL rates do not prevent sites coming forward for development. This is particularly important given the Council's reliance on windfall sites and policy requirement for 80% of development to take place on brownfield sites.<sup>24</sup> These policies mean that a substantial proportion of future dwellings in the Borough are intended to be delivered through windfall development on brownfield land. Such a reliance on unplanned development is high risk and relies on the setting of CIL rates that will not threaten the delivery of these sites.</p> <p>CIL as a % of GDV</p> <p>4.7 Whilst we acknowledge that the proposed 'nominal' CIL rate of £20 per sqm in Zone 1 (Market Areas 1-3) represents a small proportion of the development costs, we fundamentally disagree with BNP's assertion that this would not prevent sites from coming forward.</p> <p>4.8 Once set, CIL is a non-negotiable tax. There is subsequently no potential for flexibility or negotiation. It should also be acknowledged that whilst the CIL rate as a % of GDV are relatively low, the proposed CIL rates represent a much higher proportion when illustrated as a % of land value. This is important; as if landowners' aspirations in terms of land values are not met then land will not come forward for development.</p> <p>4.9 We note that the London Borough of Tower Hamlets Draft CIL Charging Schedule Examiner<sup>25</sup> commented in his report that - like with many developments, the CIL charges proposed by the Council would represent a relatively small part of both overall development costs and development value on these large allocated sites. Nonetheless, the charge would, in a material way, reduce the schemes' IRRs: whilst the Supplementary Evidence refers to CIL resulting in a reduction of IRR of in the order of 1%, this is 1 percentage point, which represents 5% of a 20% IRR and, obviously, an even greater percentage of a smaller IRR. As such I conclude that the proposed CIL charges could be determinative of whether or not one or more of the large allocated site schemes would be likely to come forward (Paragraph 74)</p> <p>The Council refers to paragraph 27 of the Examiners Report on Trafford Council CIL Charging Schedule. Whilst the Examiner describes CIL representing 1.1% - 2.4 GDV as 'reasonable and acceptable' this calculation, which concerns the CIL rate for housing alone, is described as a 'further health check' on rates which the Examiner has already found to be 'well-conceived'. Consequently, in the context of my finding that in Tower Hamlets there would be a reasonable likelihood of CIL rendering unviable development on large allocated sites, similar CIL as a percentage of GDV calculations are not necessarily demonstration of the reasonableness or acceptability of the proposed CIL rates.</p> <p>4.10 As discussed above, the viability testing results clearly show that CIL rates cannot be supported in certain that the proposed CIL rates are not supported by the viability evidence. We would therefore ask that the nominal CIL rates be removed and that an appropriate viability buffer is applied to all the Market Areas.</p> <p>Three Way Trade Off</p> <p>4.11 Cogent and Savills are concerned to note that BNP is suggesting that already unviable sites should be disregarded or the purposes of CIL testing and will not be a material consideration -</p> <p>In BNPPRE's experience the proposed residential CIL rates will be a marginal factor in a scheme's viability representing an opportunity cost of cica 4% affordable housing ....In light of this BNP Paribas Real Estate consider that even in setting a nil rate of CIL would not ensure that the Council achieves its target level of 20/30% affordable</p>		

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				<p>housing in every site in the Councils area.</p> <p>4.12 The 2014 CIL Guidance states that Development costs include costs arising from existing regulatory requirements, and any policies on planning obligations in the relevant Plan, such as policies on affordable housing and identified site. This reflects the NPPF which requires Local Authorities to assess the likely cumulative impacts of the entire existing and proposed local and national standards.</p> <p>4.13 It is therefore important that the current Affordable Housing policy is fully tested in the viability evidence, in order to be able to assess whether meeting these standards will put the housing supply at risk. A view supported by the Dacorum Borough Council CIL Examiner who commented that "the sensitivity testing is useful evidence but for CIL testing purposes the greatest weight must be placed on current (or at least recent) evidence and full policy compliance on matters such as affordable housing content"</p> <p>4.14 We would therefore ask that limited weight is given to this testing. In any event, we would highlight that the sensitivity testing on the larger sites illustrates limited viability in the majority of scenarios tested (see extract below) even with reduced affordable housing. To ensure certainty for both the Council and developers we would therefore ask that the proposed rates are set based on the current affordable housing policy.</p> <p>Viability Buffer</p> <p>4.15 Site specific circumstances mean that the economics of the development pipeline will vary from the typical levels identified via analysis of the theoretical typology. This is inevitable given the varied nature of housing land supply and costs associated with bringing forward development. It is therefore common practice for a to be incorporated either into the BLV or elsewhere through the CIL assessment process to ensure delivery of sufficient housing to meet strategic requirements. As supported by the PPG which states that: "The authority will need to be able to show why they consider that the proposed levy rate or rates set an appropriate balance between the need to fund infrastructure and the potential implication for the economic viability of development across their area.</p> <p>4.16 It is therefore important when setting rates that the Local Authorities apply an appropriate viability 'buffer' as discussed in the PPG: "It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust. This is particularly relevant in the case of Southend-on-Sea for the following reasons:</p> <ul style="list-style-type: none"> <li>*Unplanned Development a significant proportion of development is anticipated to take place on windfall sites. The exact nature and scale of these developments is subsequently unknown;</li> <li>*Brownfield Sites brownfield sites. The viability testing supporting the CIL rates makes no allowance for site specific abnormal costs; and</li> <li>*Delivery the area experiences persistent under-delivery and there has been failure to achieve annual housing targets since 2007</li> </ul> <p>4.17 Each of these points means that the Council is at a greater risk of failing to deliver its housing numbers. It is therefore of paramount importance that the Council can demonstrate that these risks have been taken in to account when setting their CIL rates. Failure to do so will result in the Regulation 14 test being failed, as the CIL rates would threaten the delivery of the housing supply anticipated to come forward during the Plan period.</p> <p>4.18 Whilst we acknowledge that the Southend-on-Sea viability testing models a range of scales and typologies of development, in an attempt to address the unplanned nature of development in the Borough, we are concerned that the results have been disregarded in the setting of the proposed CIL rates (see Section 3 above). As discussed in the previous section, the results of the viability testing shows that a significant number of scenarios would be rendered unviable by the proposed CIL rates and that a limited viability buffer has been applied (see Table 4 below).</p> <p>4.19 The table above highlights that a buffer ranging from 0 40% has been applied across the Market Areas. However, no explanation has been provided as to the level of development anticipated in each area or the justification for a lower buffer being applied in certain areas.</p> <p>4.20 We acknowledge that the Council wishes to keep the Charging Schedule relatively simple. However, the Councils own evidence suggests that certain areas cannot support CIL rate, suggesting that an additional Charging Zone covering Market Areas 1-3 should be included with a rate of £0 per sq m. Based on all of the points set out above, we would therefore suggest that the Council undertakes the following:</p> <ul style="list-style-type: none"> <li>*Revised viability testing incorporating the points discussed in Section 2; and</li> <li>*Application of a minimum viability buffer of 40% to the maximum CIL rates to take account of the persistent under-delivery in housing and reliance on unplanned development (brownfield windfall sites).</li> </ul>		



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			<p>Effective Operation of CIL</p> <p>5.1 In our PDCS representation, we highlighted the importance of the Council publishing supporting documents to outline how CIL will work in practice. We therefore provide further comment on some of these points below.</p> <p>Relief</p> <p>5.2 We note that the Council is still not proposing to offer either discretionary or exceptional circumstances relief. We would reiterate the importance of making these reliefs available and would refer back to our response to the PDCS consultation.</p> <p>Payment in Kind</p> <p>5.3 Our comments in respect of this are unchanged from our response to the PDCS consultation<sup>32</sup>.</p> <p>Reviewing CIL</p> <p>5.4 As above, our comments in respect of this are unchanged from our PDCS response<sup>33</sup>.</p> <p>Conclusions</p> <p>6.1 This Representation has been prepared by Savills on behalf of Cogent Land LLP. As set out at the start of these representations there are three key tests at Examination:</p> <p>i)That "the charging authority's Charging Schedule is supported by background documents containing appropriate available evidence</p> <p>ii)The 'the proposed rate or rates are informed by and consistent with, the evidence on economic viability across the charging authority's area, and</p> <p>iii)That 'evidence has been provided that shows the proposed rate would not put at serious risk overall development</p> <p>6.2 The assessment of planned development and its viability is therefore an inherent test of the Examination, making the following points significant:</p> <p>*Unviable Rates - The current proposed CIL rates are unviable and risk rendering a significant proportion of the housing supply across the District undeliverable;</p> <p>*Incorrect Assumptions - A number of the key viability inputs adopted by PBA are incorrect. This results in an over-estimation of the maximum CIL rates that can be supported;</p> <p>*Housing Delivery Cogent believes it is important to highlight that an unviable CIL poses a real risk of a materially reduced housing delivery, which in turn will affect the level of receipts collected. This is important as the Council is relying on CIL contributing to the significant funding gap in the Borough;</p> <p>*Charging Zones - scale of development. Whilst the principle of applying differential rates is not questioned, the proposed Charging Zone 1 includes areas that the viability evidence proves cannot support a CIL rate; and</p> <p>*Housing Supply There has been persistent under-delivery housing supply is heavily reliant on unplanned development across the Borough. This is particularly important as the future housing requirements for the Council, based on emerging information from the Thames Gateway Partnership, indicates significantly higher numbers than previously delivered under the Core Strategy. It is therefore essential that a higher buffer (minimum of 40%) is incorporated to reflect the already existing risk to the housing supply and to ensure the delivery of infrastructure and community facilities required to support the enhanced level of growth across the Borough, whilst ensuring that SBCs strategic objectives are met.</p> <p>6.3 In light of this, Savills and Cogent would recommend that SSBC review their supporting "appropriate available evidence" In particular we would ask that the Council undertakes the following:</p> <p>*Undertaking additional viability work, incorporating the points raised above, to ensure that the proposed CIL rates are viable. In particular, this should look at the blended profit margins that are being applied;</p> <p>*Removing 'nominal' rates, and</p> <p>*Reviewing the proposed CIL Charging Zones in light of the above.</p>		

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	6.4			Savills and Cogent consider it necessary to stress that if the CIL level is set too high, it will have a negative impact on a large proportion of development coming forward, especially bearing in mind the historic under delivery in the Borough.		
	6.5			Moving forward, Cogent is open to a meeting with SSBC and their advisors to discuss the approach taken and to discuss common ground in advance of the submission of the DCS for Examination. To this end, we would like to reserve the right to be heard at Examination and to be notified when: i)The DCS is submitted to the Examiner in accordance with Section 212 of the PA 2008; ii) The recommendations of the Examiner and the reasons for these recommendations are published; and iii)The Charging Schedule is approved by the charging authority.		
Reps	3.1	1776	Object	<p>Cogent has fundamental concerns with the approach proposed by the Council notably:</p> <ul style="list-style-type: none"> <li>* Unviable Rates - The current proposed CIL rates are unviable and risk rendering a significant proportion of the housing supply across the District undeliverable;</li> <li>* Incorrect Assumptions - A number of the key viability inputs adopted by PBA are incorrect. This results in an over-estimation of the maximum CIL rates that can be supported;</li> <li>* Housing Delivery Cogent believes it is important to highlight that an unviable CIL poses a real risk of a materially reduced housing delivery, which in turn will affect the level of receipts collected. This is important as the Council is relying on CIL contributing to the significant funding gap in the Borough;</li> <li>* Charging Zones - scale of development. Whilst the principle of applying differential rates is not questioned, the proposed Charging Zone 1 includes areas that the viability evidence proves cannot support a CIL rate; and</li> <li>* Housing Supply There has been persistent under-delivery housing supply is heavily reliant on unplanned development across the Borough. This is particularly important as the future housing requirements for the Council, based on emerging information from the Thames Gateway Partnership, indicates significantly higher numbers than previously delivered under the Core Strategy. It is therefore essential that a higher buffer (minimum of 40%) is incorporated to reflect the already existing risk to the housing supply and to ensure the delivery</li> </ul>		Addressed in Sections 3 and 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.

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				of infrastructure and community facilities required to support the enhanced level of growth across the Borough, whilst ensuring that SBCs strategic objectives are met.		
	3.1	1777	<b>Object</b>	<p>As a result of these concerns we do not believe that the Council has demonstrated that the proposed rates are viable and will not threaten the delivery of the Plan. We have subsequently prepared the following representation, which looks at the following:</p> <ul style="list-style-type: none"> <li>* Section 1 Is the DCS supported by background documents containing appropriate available evidence?</li> <li>* Section 2 Are the proposed rates informed by and consistent with the evidence on economic</li> <li>* Section 3 Has SSBC provided evidence that shows that the proposed rates would not threaten delivery of the relevant Plan as a whole?</li> <li>* Section 4 The Effective Operation of CIL</li> </ul> <p>Where relevant this representation provides comment on the supporting evidence/ existing guidance and also makes reference to policy documents, a list of which can be found at Appendix 1.</p>		Addressed in Sections 3 and 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1778	<b>Comment</b>	In submitting this representation, we are only commenting on particular key areas of the evidence base. Cogent particular comments relate to the proposed rates for residential development and specifically the rate in Zone 1 (£20 per sq m).		Noted
	3.1	1779	<b>Comment</b>	<p>We would highlight that the lack of reference to other parts of the evidence base cannot be taken as agreement with them and we reserve the right to make further comments upon the evidence base at the Examination stage.</p> <p>Finally, the objective of this representation is not to oppose CIL; it merely seeks to ensure that viable rates, based on the evidence and a collective interest to deliver well planned, viable and feasible development in the Borough are adopted.</p>		Noted
	3.1	1780	<b>Comment</b>	Is the DCS supported by background documents		Noted

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				containing appropriate available evidence? As raised at the start of this representation, the Council will be required to demonstrate at Examination that the DCS is supported by appropriate available evidence (emphasis added). It is therefore essential that the viability appraisals are fit for purpose and strike an appropriate balance.		
	3.1	1781	<b>Comment</b>	Appropriate Available Evidence Owing to the key test of Regulation 14(1) it is important that the viability appraisals prepared are fit for purpose. For the purpose of the DCS we have assumed that SSBC is relying on the following documents prepared by BNP Paribas Estate *CIL Viability Study (May 2014); *CIL Viability Addendum Note (July 2014); and *Responses to Savills Representation (September 2014) We have therefore reviewed the viability evidence set out above. Our specific comments in relation to these documents are set out		Noted
	3.1	1782	<b>Object</b>	Up-to-date Evidence It is fundamental that the supporting viability work incorporates reasonable assumptions reflective of the current market to ensure that the rates are set at viable levels. We are therefore concerned that the Viability Study has not been updated since the PDCS stage. This is important; as by the time the DCS is examined the data and assumptions adopted in the viability testing will be almost 12 months out of date. We would therefore strongly advise that SSBC update their Viability Study to ensure that the data and inputs are appropriate.		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1783	<b>Object</b>	Viability Inputs Cogent and Savills continue to fundamentally disagree with a number of the assumptions made by BNP in the viability testing. These are discussed in greater detail below. As stated in our previous representations, the blended profit rate adopted by BNP in the Viability Study is below the minimum level required by		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				national housebuilders, developers and land promoters.		
	3.1	1784	<b>Object</b>	<p>We note that in their representation responses to Savills, BNP has made the following comment "BNPRE strongly disagrees [that] the profit margin relates to risk. The approach taken reflects the reduced risk associated with developing affordable housing as any risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer. A reduced profit level on the affordable housing reflects the GLA Development Control Toolkit and the Homes and Communities guidelines in both its Economic Appraisal Tool (EAT) and Development Appraisal Tool (DAT). We would also highlight that this approach has been accepted at numerous CIL examinations and site assessments BNPPRE has undertaken"</p> <p>In response, we would highlight the following:  *Relationship between profit and risk BNPhave commented that they do not agree that profit margins relate to risk. This contradicts the NPPF which states that to ensure viability; developments should provide competitive returns to a willing land owner and willing developer. We would also highlight a recent appeal decision where the Inspector commented that 'The amount required by a developer to undertake the development is a reflection of the anticipated risk;  *Brownfield Land on previously developed land. These sites by their very nature can require significant upfront costs and abnormal costs that would not be required on greenfield sites. In these instances, the profit margin and Return on Capital Employed (ROCE) becomes much more important. The minimum profit margin required by housebuilders and their lenders is 20% on gross development value (GDV). However, this increases where the risk and/or upfront costs are higher, i.e. for regeneration and brownfield sites. We would therefore expect a minimum of 20% on GDV</p>		The word [that] has been added by Savills; BNP Paribas Real Estate's comment that was included in the Overview Report (Nov 2014) had a comma here rather than [that] and this results in a very different meaning. Contrary to Savills's interpretation, BNP Paribas Real Estate have not disputed that profit margin relates to risk – addressed further in Section 4 of the Overview Report (Feb 2015).

Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
			<p>(blended) to be tested;</p> <p>*Reduced risk for affordable housing - We strongly disagree with the assertion from BNP that risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer it assumes that the developer has already secured a Registered Provider prior to securing the site. It is increasingly common for developers to purchase land prior to securing an offer from Registered Providers. In these instances, the risk has not been lowered and developers will subsequently apply the same risk profile to the entire site;</p> <p>*Toolkits The GLA and HCA toolkits were produced when grant funding was still readily available for affordable housing. In todays market, grant funding for affordable housing is less readily available. It is therefore common practice for developers to purchase sites before they have secured the sale of the affordable housing. Developers are subsequently subject to market risk across both the private and affordable housing. There is subsequently a risk associated with the affordable housing, in addition to increased holding and finance costs that was not present under previous systems of funding. A blended rate reflective of this increased risk should therefore be applied across the entire site;</p> <p>*Blended Rates BNP have applied a profit rate of 20% on GDV for the private element and 6% on GDV for the affordable. This reflects the following blended rates, which are significantly below the minimum level accepted by national house builders:</p> <ul style="list-style-type: none"> <li>* 30% Affordable Housing 15.8% on GDV</li> <li>* 20% Affordable Housing 17.2% on GDV</li> </ul> <p>In support of the above, we have attached a report on Competitive Developer Return (Appendix 3), which provides further evidence on the minimum profit margins required by Plc housebuilders. Taking all of this in to account, we would therefore ask that a minimum profit level of 20% on GDV (blended) plus 25% ROCE across all tenures, subject to consideration of the risk profile of the scheme, is</p>		

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				adopted in the viability testing.		
	3.1	1785	<b>Comment</b>	<p>Professional Fees</p> <p>As discussed previously, we would advocate an allowance of 12% for professional fees on all typologies tested in Southend-on-Sea. We note that BNP fees range between 8% and 12%, depending on the nature of the site. This is important, as the nature of the site can have a significant impact on the level of professional fees incurred.</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1786	<b>Comment</b>	<p>The majority of sites coming forward in Southend-on-Sea are brownfield sites. There is subsequently a strong likelihood that additional abnormal costs will be associated with their redevelopment, which will incur additional professional fees. We would also highlight that as the BLVs for these sites are based on existing use value, it is assumed that these sites do not benefit from planning permission. In our experience the following professional fees would therefore apply:</p> <ul style="list-style-type: none"> <li>*Planning application fees;</li> <li>*Planning consultant fees;</li> <li>* Architects;</li> <li>*Quantity Surveyor;</li> <li>*Engineer;</li> <li>*Site surveys (i.e. building, demolition, asbestos, ground conditions);</li> <li>*Building Regulation fees; and</li> <li>*NHBC and EPC certificates. In light of the above and the nature of the sites coming forward in the Borough over the plan period, we would recommend that 12% would be a suitable allowance for professional fees.</li> </ul>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1787	<b>Comment</b>	<p>Abnormals</p> <p>We note that BNP have confirmed in the response document that no abnormal costs have been factored in to the appraisals and it is not possible or reasonable to incorporate abnormal costs such as for remediation within an area wide viability study. These costs are site specific and as such will vary across all sites. The main reason for In light of this, we would recommend that the proposed CIL rates</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				are set with a significant buffer (minimum 40%). This will ensure that there is sufficient room for site specific abnormal costs and prevent the CIL rates being set at the margins of viability.		
	3.1	1788	<b>Object</b>	<p>Benchmark Land Values</p> <p>In our PDCS representation, we questioned the methodology and assumptions relating to the BLVs. We are therefore disappointed to note that the Council has failed to acknowledge our request for confirmation of which BLV is most appropriate for each market area. This is essential as the viability results vary substantially depending on which BLV is applied.</p> <p>It is currently unclear how BNP has established which BLVs are appropriate in the absence of a Site Allocations Document to understand what type of site will be coming forward for development in each value area. We would therefore ask that the Council provides confirmation of which BLV is applicable to each typology in each of the Market Areas. This will ensure that the analysis and interpretation of the viability results is correct.</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.8	1789	<b>Object</b>	<p>Residual Section 106 Assumptions</p> <p>Having now had the opportunity to review the revised draft Regulation 123 list and Planning Obligations SPD, we remain concerned that the assumption within the BNP viability appraisals for Section 106 and 278 obligations (£1,012 per unit) is not reflective of the Councils proposed strategy post -CIL implementation.</p> <p>In the Planning Obligations SPD, we note that reference is made to an allowance of £850 per unit for Section 106 obligations. We would therefore ask that the Council provide a breakdown of the £1,012 per unit against the items indicated in the SPD to remain under Section 106.</p> <p>Finally, we would note that additional comments in respect of the Planning Obligations SPD have been submitted by Savills on behalf of Cogent</p>		Addressed in paragraphs 4.21-4.23 of the Overview Report (Feb 2015).



	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
	3.1	1790	<b>Object</b>	<p>Alternative Viability Appraisals</p> <p>Each of the points raised above will result in additional development costs for each of the typologies modelled. This will subsequently have a negative impact on the residual land value. We believe that BNP have under-estimated the costs associated with brownfield development across the Borough, which would reduce the capacity for sites to support CIL even further.</p> <p>Given these concerns, we have produced a set of alternative viability appraisals in order to demonstrate the impact of the underestimation of these inputs on the residual land values (RLV). For the purpose of reaching a consensus on appropriate residential CIL rates, and to enable the Examiner to make direct comparisons between our evidence and that of the Council, we have focused on two points which we feel are of the upmost importance:</p> <ul style="list-style-type: none"> <li>*Developer's Profit</li> <li>*Professional Fees</li> </ul>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1791	<b>Object</b>	<p>It should be noted that failure to run sensitivity testing on consider the additional points (i.e. Section 106) discussed above does not indicate acceptance of these assumptions. However, until further evidence is provided by the Council in support of these assumptions we have excluded them from our analysis. We therefore reserve the right to submit further comments and/or sensitivity testing once this additional information has been made available. For simplicity, using the same assumptions BNP has used for T3 - 12 Houses , we have prepared a base appraisal and then undertaken subsequent sensitivity testing on alternative assumptions as set out in the table below.</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1792	<b>Comment</b>	<p>BNP have provided their viability appraisals in Appendix 1 of the Viability Study. We have therefore been able to use the appraisal summary of T2 -12 Houses to re-create, as close as possible, the residual land value reported by BNP. In doing so we have used ARGUS Developer appraisal software and incorporated the assumptions set out in Table 1.</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				We have subsequently used the above RLV as our baseline position for comparison purposes. The results of the sensitivity testing for the alternative assumptions is set out in Table 3:		
	3.1	1793	<b>Object</b>	<p>When both the profit margin and professional fees are combined, in appraisal D, the cumulative impact is significant and results in the site becoming unviable. This is important, as if assumptions are set incorrectly (as in the BNP appraisals); the appraisals over-estimate the capacity for CIL.</p> <p>We would therefore ask that further viability testing is undertaken on all of the typologies, incorporating the points discussed above.</p> <p>Are the proposed rates informed by, and consistent with, the evidence on economic viability across the Borough?</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1794	<b>Object</b>	<p>No further viability testing has been undertaken since the Viability Study (May 2014) and Viability Addendum (July 2014), which was produced in support of the PDCS. We have therefore assumed that these documents the Councils appropriate available evidence and have set out our comments below.</p> <p>Interpretation of Results</p> <p>As discussed in our PDCS representation, the PPG CIL Guidance clearly states that the areas includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of We are therefore concerned that despite the Viability Study indicating that there is limited capacity to pay CIL in the low value areas across the Borough that a flat residential rate of £20 per sq m has been proposed across Market Areas 1-5.</p> <p>We note that in the CIL Overview Document BNP has commented that: The CIL identifies that Charging Authorities do not have to set a nil rate; they can set a low rate in instances where developments appear</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
				<p>to be unviable. It is the Charging Authority's prerogative to establish the appropriate balance between raising money from CIL to deliver much needed infrastructure to support development in their area and not putting development across the Charging Authority area at risk. In this regard it is noted that the CIL Guidance identifies that there is no requirement for a proposed rate to exactly mirror the evidence...There is room for some pragmatism. As BNP highlight, the PPG welcomes Local Authorities taking a pragmatic approach to setting their rates. However, do not believe that the Council has justified their interpretation of the viability results and subsequent proposed CIL rates. We would therefore ask that the Council confirms the following:</p> <ol style="list-style-type: none"> <li>1) Which BLV is relevant for each typology?</li> <li>2) Which typologies are anticipated to be most prevalent in each Market Area?</li> </ol> <p>Without this information it is hard to understand how the proposed CIL rates have been determined. For example, looking at the results for Market Area 6 (South Central Area) it is clear that the results vary significantly depending on the typology and BLV being applied.</p>		
	3.1	1795	<b>Object</b>	<p>Of the 36 scenarios tested, only 36% suggested that a CIL rate could be supported. Given the high proportion of brownfield windfall sites coming forward in the Borough, we would expect the greatest weight to be given to the results assuming BLVs 1-3. Looking at the results, this suggests that only 7 scenarios would be able to support a CIL rate. However, the maximum CIL rates indicated by BNP in the summary table (reproduced above at Table 1) suggest a rate of £50 per sq m for Market Area 6. We would therefore ask that further explanation of the interpretation of the viability testing is provided, as we do not believe that the proposed CIL rates reflect the supporting viability evidence.</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1796	<b>Object</b>	<p>Zero Rates In our previous representations we highlighted our</p>		Addressed in Section 4 (specifically paragraphs 4.33 and 4.34) of the

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				<p>concern that an unviable 'nominal' rate was being proposed by the Council. A point further strengthened by the fact that the supporting viability evidence clearly shows that a number of these development scenarios are unviable prior to the introduction of a CIL charge.</p> <p>We note the Councils response to this point in the Overview Document</p> <p>Some consider that if a use is deemed to be unviable then additional charges should not be imposed. However, the viability evidence demonstrates that the proposed nominal rates are unlikely to be the determining factor in relation to viability and to have an impact on a developer's decision making as to whether to bring forward a development or not. Beneficially though, the proposed nominal rates will help provide funding towards the supporting infrastructure for growth should such developments come forward. This approach is not uncommon and is the Councils proposed approach.</p>		<p>Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.</p>
	3.1	1797	<b>Object</b>	<p>The CIL Guidance identifies that Charging Authorities do not have to set a nil rate; they can set a low rate in instances where developments appear to be unviable. It is the Charging Authoritys prerogative establish the appropriate balance between raising money from CIL to deliver much needed infrastructure to support development in their area and not putting development across the Charging Authority area at risk. In this regard it is noted that the CIL Guidance identifies that there is no requirement for a proposed rate to exactly mirror the evidence. There is room for some pragmatism. We fundamentally disagree with this assumption and believe that the inclusion of an unviable CIL rate will have a significant influence over where development takes place and whether site come forward for development. Over 70 Local Authorities across England and Wales, with similar viability concerns, have taken a pragmatic approach to setting their CIL rates and are proposing £0 per sq m CIL rates for both strategic sites and low value areas</p>		<p>Addressed in Section 4 (specifically paragraphs 4.33 and 4.34) of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.</p>

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				(list included at Appendix 5).		
	3.1	1798	<b>Object</b>	We would also highlight that if the CIL rate is set incorrectly, and development is prevented from coming forward, that other objectives (such as meeting housing needs and promoting the local economy) will not be met. We are therefore highly concerned that suggests that applying an additional cost to already unviable sites will not have an adverse impact on development in the Borough. We would therefore ask that the Council reviews their proposed rates and includes a £0 per sq m CIL rate for those Market Areas that are shown to be unviable.		Addressed in Section 4 (specifically paragraphs 4.33 and 4.34) of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1799	<b>Object</b>	Overview As discussed in our previous representation, we do not believe that the Council has demonstrated that the proposed CIL rates will not threaten the delivery of the Core Strategy as a whole. We note in the Overview Document that BNP makes the following comment - Savills have not provided any evidence that would demonstrate that a cost that amounts to less than 2% of the development costs would threaten the economic viability of development across the Council's area and therefore the delivery of the Local Plan.		Addressed in Sections 3 and 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1800	<b>Comment</b>	Firstly, we would draw the provisions of the CIL Regulations and PPG to the Council attention. Both of which place a positive duty on Local Authorities to demonstrate that their CIL rates are appropriate, as indicated by the key tests at Examination discussed in the introduction. The Council will therefore have to demonstrate at Examination that they have struck an appropriate balance and to justify that balance with evidence at Examination, showing and explaining how the rates will contribute towards the implementation of their relevant Plan.		Noted
	3.1	1801	<b>Object</b>	Secondly, we do not believe that the Council can demonstrate that the CIL Viability Evidence supports		Addressed in Sections 3 and 4 of the Overview Report (Feb 2015),

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				<p>the proposed CIL rates and will not threaten the delivery of the Development Plan. We have set out our specific comments and reasoning on this point below:</p> <p>Local Context</p> <p>Analysis of viability results should always be considered in the context of the relevant Development Plan and the identified housing supply. In Local Authorities where there has been a historic under-delivery of housing (both private and affordable), as is the case in SSBC, greater attention needs to be paid to the proposed rates, as if they are set at unviable levels the Development Plan will be put at risk.</p> <p>It is therefore essential that the proposed CIL rates do not prevent sites coming forward for development.</p>		which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1802	<b>Object</b>	<p>Whilst we acknowledge that the proposed 'nominal' CIL rate of £20 per sqm in Zone 1 (Market Areas 1-3) represents a small proportion of the development costs, we fundamentally disagree with BNP's assertion that this would not prevent sites from coming forward.</p> <p>Once set, CIL is a non-negotiable tax. There is subsequently no potential for flexibility or negotiation. It should also be acknowledged that whilst the CIL rate as a % of GDV are relatively low, the proposed CIL rates represent a much higher proportion when illustrated as a % of land value. This is important; as if landowners' aspirations in terms of land values are not met then land will not come forward for development.</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1803	<b>Object</b>	<p>As discussed, the viability testing results clearly show that CIL rates cannot be supported in certain areas. It is therefore misleading to quote CIL as a % of GDV, as the Councils own evidence demonstrates that the proposed CIL rates are not supported by the viability evidence. We would therefore ask that the nominal CIL rates be removed and that an appropriate viability buffer is applied to all the Market Areas.</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1804	<b>Object</b>	Three Way Trade Off		Addressed in Section 4 of the

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				<p>Cogent and Savills are concerned to note that BNP is suggesting that already unviable sites should be disregarded or the purposes of CIL testing and will not be a material consideration -</p> <p>In BNPPRE's experience the proposed residential CIL rates will be a marginal factor in a scheme's viability representing an opportunity cost of cica 4% affordable housing ....In light of this BNP Paribas Real Estate consider that even in setting a nil rate of CIL would not ensure that the Council achieves its target level of 20/30% affordable housing in every site in the Councils area.</p>		Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1805	<b>Comment</b>	<p>It is therefore important that the current Affordable Housing policy is fully tested in the viability evidence, in order to be able to assess whether meeting these standards will put the housing supply at risk. A view supported by the Dacorum Borough Council CIL Examiner who commented that "the sensitivity testing is useful evidence but for CIL testing purposes the greatest weight must be placed on current (or at least recent) evidence and full policy compliance on matters such as affordable housing content"</p> <p>We would therefore ask that limited weight is given to this testing. In any event, we would highlight that the sensitivity testing on the larger sites illustrates limited viability in the majority of scenarios tested (see extract below) even with reduced affordable housing. To ensure certainty for both the Council and developers we would therefore ask that the proposed rates are set based on the current affordable housing policy.</p>		The proposed rates are based on the current affordable housing policy and this point is addressed in Section 4, paragraph 4.24 of the Overview Report (Feb 2015).
	3.1	1806	<b>Comment</b>	<p>Viability Buffer</p> <p>Site specific circumstances mean that the economics of the development pipeline will vary from the typical levels identified via analysis of the theoretical typology. This is inevitable given the varied nature of housing land supply and costs associated with bringing forward development. It is therefore important when setting rates that the Local Authorities apply an appropriate viability 'buffer' as</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				<p>discussed in the PPG: "It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust. This is particularly relevant in the case of Southend-on-Sea for the following reasons:</p> <ul style="list-style-type: none"> <li>*Unplanned Development a significant proportion of development is anticipated to take place on windfall sites. The exact nature and scale of these developments is subsequently unknown;</li> <li>*Brownfield Sites brownfield sites. The viability testing supporting the CIL rates makes no allowance for site specific abnormal costs; and</li> <li>*Delivery the area experiences persistent under-delivery and there has been failure to achieve annual housing targets since 2007</li> </ul> <p>Each of these points means that the Council is at a greater risk of failing to deliver its housing numbers. It is therefore of paramount importance that the Council can demonstrate that these risks have been taken in to account when setting their CIL rates. Failure to do so will result in the Regulation 14 test being failed, as the CIL rates would threaten the delivery of the housing supply anticipated to come forward during the Plan period.</p>		
	3.1	1807	<b>Object</b>	<p>Whilst we acknowledge that the Southend-on-Sea viability testing models a range of scales and typologies of development, in an attempt to address the unplanned nature of development in the Borough, we are concerned that the results have been disregarded in the setting of the proposed CIL rates. As discussed in the previous section, the results of the viability testing shows that a significant number of scenarios would be rendered unviable by the proposed CIL rates and that a limited viability buffer has been applied.</p> <p>The table highlights that a buffer ranging from 0 - 40% has been applied across the Market Areas. However, no explanation has been provided as to the level of development anticipated in each area or the justification for a lower buffer being applied in</p>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.



	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
				certain areas.		
	3.1	1808	<b>Object</b>	<p>We acknowledge that the Council wishes to keep the Charging Schedule relatively simple. However, the Councils own evidence suggests that certain areas cannot support CIL rate, suggesting that an additional Charging Zone covering Market Areas 1-3 should be included with a rate of £0 per sq m. Based on all of the points set out above, we would therefore suggest that the Council undertakes the following:</p> <ul style="list-style-type: none"> <li>*Revised viability testing incorporating the points discussed in Section 2; and</li> <li>*Application of a minimum viability buffer of 40% to the maximum CIL rates to take account of the persistent under-delivery in housing and reliance on unplanned development (brownfield windfall sites).</li> </ul>		Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	4.1	1809	<b>Comment</b>	<p>Effective Operation of CIL</p> <p>In our PDCS representation, we highlighted the importance of the Council publishing supporting documents to outline how CIL will work in practice. We therefore provide further comment on some of these points.</p>		Noted
	3.7	1810	<b>Object</b>	<p>Relief</p> <p>We note that the Council is still not proposing to offer either discretionary or exceptional circumstances relief. We would reiterate the importance of making these reliefs available and would refer back to our response to the PDCS consultation.</p>		Noted and addressed in paragraphs 6.1-6.4 of the Overview Report (Feb 2015).
	5.3	1811	<b>Comment</b>	<p>Reviewing CIL</p> <p>As above, our comments in respect of this are unchanged from our PDCS response.</p>		Noted and addressed in Section 5 of the Draft Charging Schedule.
	3.1	1812	<b>Comment</b>	<p>Conclusions</p> <p>This Representation has been prepared by Savills on behalf of Cogent Land LLP. As set out at the start of these representations there are three key tests at Examination:</p> <p>i)That "the charging authoritys Charging Schedule is supported by background documents containing</p>		Noted and addressed as outlined above.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Respondents suggested Change to Plan	Response to Representation
				<p>appropriate available evidence</p> <p>ii)The 'the proposed rate or rates are informed by and consistent with, the evidence on economic viability across the charging authoritys area, and</p> <p>iii)That 'evidence has been provided that shows the proposed rate would not put at serious risk overall development</p>		
	3.1	1813	<b>Object</b>	<p>The assessment of planned development and its viability is therefore an inherent test of the Examination, making the following points significant:</p> <ul style="list-style-type: none"> <li>*Unviable Rates - The current proposed CIL rates are unviable and risk rendering a significant proportion of the housing supply across the District undeliverable;</li> <li>*Incorrect Assumptions - A number of the key viability inputs adopted by PBA are incorrect. This results in an over-estimation of the maximum CIL rates that can be supported;</li> <li>*Housing Delivery Cogent believes it is important to highlight that an unviable CIL poses a real risk of a materially reduced housing delivery, which in turn will affect the level of receipts collected. This is important as the Council is relying on CIL contributing to the significant funding gap in the Borough;</li> <li>*Charging Zones - scale of development. Whilst the principle of applying differential rates is not questioned, the proposed Charging Zone 1 includes areas that the viability evidence proves cannot support a CIL rate; and</li> <li>*Housing Supply There has been persistent under-delivery housing supply is heavily reliant on unplanned development across the Borough. This is particularly important as the future housing requirements for the Council, based on emerging information from the Thames Gateway Partnership, indicates significantly higher numbers than previously delivered under the Core Strategy. It is therefore essential that a higher buffer (minimum of 40%) is incorporated to reflect the already existing risk to the housing supply and to ensure the delivery</li> </ul>		Noted and addressed as outlined above.

	Policy, Para, Section	Rep No	Object/Support	Representation	Respondents suggested Change to Plan	Response to Representation
				of infrastructure and community facilities required to support the enhanced level of growth across the Borough, whilst ensuring that SBCs strategic objectives are met.		
	3.1	1814	<b>Object</b>	In light of this, Savills and Cogent would recommend that SSBC review their supporting "appropriate available evidence" In particular we would ask that the Council undertakes the following: *Undertaking additional viability work, incorporating the points raised above, to ensure that the proposed CIL rates are viable. In particular, this should look at the blended profit margins that are being applied; *Removing 'nominal' rates, and *Reviewing the proposed CIL Charging Zones in light of the above.		Noted and addressed as outlined above.
	3.1	1815	<b>Comment</b>	Savills and Cogent consider it necessary to stress that if the CIL level is set too high, it will have a negative impact on a large proportion of development coming forward, especially bearing in mind the historic under delivery in the Borough.		Noted and addressed as outlined above.
	3.1	1816	<b>Comment</b>	Moving forward, Cogent is open to a meeting with SSBC and their advisors to discuss the approach taken and to discuss common ground in advance of the submission of the DCS for Examination. To this end, we would like to reserve the right to be heard at Examination and to be notified when: i)The DCS is submitted to the Examiner in accordance with Section 212 of the PA 2008; ii)The recommendations of the Examiner and the reasons for these recommendations are published; and iii)The Charging Schedule is approved by the charging authority.		Noted
	4.4	1863	<b>Comment</b>	Payment in Kind Our comments in respect of this are unchanged from our response to the PDCS consultation.		Noted



	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
<b>Respondent</b>	<b>Natural England – Mr D Hammond</b>				
<b>Full Submission</b>	Thank you for your recent correspondence in respect of the above consultation document, requesting Natural England's views and comments. Natural England is the Government agency that works to conserve and enhance biodiversity and landscapes, promote access to the natural environment, and contribute to the way natural resources are managed so that they can be enjoyed now and by future generations. After careful consideration of the information provided it is our opinion that the proposed amendments to Sections 3 and 6 of the preliminary draft Charging Schedule do not significantly affect any priority areas for Natural England, therefore we do not wish to offer any substantive comments in respect of these changes. Our previous comments as per our letters dated 5th August 2014 and 1st December 2014 should be read in conjunction with this letter.				
<b>Reps</b>	3.1	1864	<b>Comment</b>	After careful consideration of the information provided it is our opinion that the proposed amendments to Sections 3 and 6 of the preliminary draft Charging Schedule do not significantly affect any priority areas for Natural England, therefore we do not wish to offer any substantive comments in respect of these changes. Our previous comments as per our letters dated 5th August 2014 and 1st December 2014 should be read in conjunction with this letter.	Noted
<b>Respondent</b>	<b>Environment Agency – Ms L Griffiths</b>				
<b>Full Submission</b>	Thank you for your consultation on Sections 3 and 6 of Southend's CIL Draft Charging Schedule. We confirm that the Environment Agency has no further comments to make at this stage.				
<b>Reps</b>	3.1	1865	<b>Comment</b>	Thank you for your consultation on Sections 3 and 6 of Southend's CIL Draft Charging Schedule. We confirm that the Environment Agency has no further comments to make at this stage.	Noted
<b>Respondent</b>	<b>Anglian Water – Ms S Bull</b>				
<b>Full Submission</b>	Anglian Water acknowledge the opportunity to comment on sections 3 and 6 of the CIL, however we have nothing to say.				
<b>Rep</b>	3.1	1866	<b>Comment</b>	Anglian Water acknowledge the opportunity to comment on sections 3 and 6 of the CIL, however we have nothing to say.	Noted
<b>Respondent</b>	<b>Savills on behalf of Cogent Land LLP – Miss L Cullum</b>				
<b>Full Submission</b>	<p>This representation is submitted by Savills (UK) Limited (hereafter known as "Savills") in respect of Southend- on-Sea Borough Council's ("SSBC") Community Infrastructure Levy ("CIL") consultation on Section 3 and 6 of the Draft Charging Schedule ("DCS") consultation, on behalf of Cogent Land LLP.</p> <p><b>Purpose</b></p> <p>1.1 The purpose of this representation is to set out our response to the Round 3 consultation on Section 3 and 6 of the CIL DCS, which has been published for consultation from the 7 January 2015 until 19 February 2015. This additional consultation follows the Draft Charging Schedule ("DCS") consultation in November/ December 2014, and is being undertaken in light of omissions within the key documents published in support of the DCS.</p> <p>1.2 This representation is intended to supplement the comments previously submitted to SSBC and does not reiterate our representations submitted to the DCS consultation. This representation is focused on the updated viability evidence, however, builds upon the issues we have previously raised and, where</p>				

Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
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available, provides further evidence to support these concerns. Cogent Land LLP's particular comments relate to the proposed rates for residential development.

1.3 It should be noted that this representation is made in the context of the Community Infrastructure Levy (Amendment) Regulations 2014 ("the Regulations") and relevant statutory guidance. These Regulations and associated guidance came in to force on 24 February 2014. The DCS will therefore be subject to the requirements of these latest set of Regulations and Guidance.

**Overview**

1.4 Savills has been asked on behalf of Cogent Land LLP to scrutinise the additional viability evidence prepared by BNP Paribas Real Estate ("BNP")<sup>3</sup>, notably in respect of the residential assumptions and the correlation with the proposed CIL rates.

1.5 The objective is therefore to ensure a reasonable rate of CIL, which allows for the policy requirements for sustainability and affordable housing, and also importantly, the level of anticipated residual Section 106/ 278 and other site specific infrastructure. The objective of this representation is therefore not to oppose CIL; it merely seeks to ensure a reasonable rate is proposed, which will enable the planned development in the area to come forward.

1.6 We have therefore split our response in to the following Sections:

- **Part 1** - The revised viability testing; and
- **Part 2** – The proposed CIL rates in light of the revised viability evidence.

**Part 1 – The Revised Viability Testing**

1.7 In light of the omissions and errors in the Key Documents prepared in support of the DCS, SSBC have reviewed and updated their Viability Study (undertaken by BNP, December 2014). At Examination the Council will be required to demonstrate that the DCS is supported by background documents containing "appropriate available evidence" and that the proposed rate(s) are 'informed by and consistent with, the evidence on economic viability'. It is therefore essential that the viability appraisals are fit for purpose and strike an appropriate balance.

1.8 We have reviewed the revised viability evidence and testing prepared by BNP. The following sections outlines the areas that we still have concerns over and justification for any differences.




Appraisal Assumptions

1.9 Savills and Cogent Land LLP still have significant concerns about the Benchmark Land Values, abnormals allowance, Professional Fees and Section 106 assumptions in the BNP Viability work. We have not addressed these points here and would highlight that our previous comments submitted to the DCS consultation still stand.

Build Costs

1.10 We are particularly concerned that BNP have not updated their build costs – which stand at May 2013 levels - in the latest viability testing (December 2014). Build costs have increased rapidly over the past 12 months (see Table 1 below) and we would therefore expect BNP to have updated these figures in the latest viability testing.

**Table 1 – Movement in BCIS Build Costs (May 2013 to February 2015)**

	BCIS May 2013	BCIS February 2015	Difference
	£psm	£psm	%
<b>Estate Housing - Generally</b>	£858	£989	<b>15.27%</b> 
<b>Flats – Generally</b>	£1,009	£1,183	<b>17.24%</b> 
<b>Flats - 6+ Storeys</b>	£1,320	£1,469	<b>11.29%</b> 

Source: Viability Study (December 2014) and updated figures from BCIS online, rebased to Southend-on-Sea (February 2015)

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
	1.11			This indicates an average increase of 14.6% in build costs since May 2013. It is therefore essential that these increased costs are included in the viability testing. Furthermore, it should be highlighted that as the build costs are directly linked to a number of other inputs (i.e. 'Professional Fees' are calculated as a percentage of the build cost); an incorrect base build costs risks a significant underestimation of the true costs of development.	This indicates an average increase of 14.6% in build costs since May 2013. It is therefore essential that these increased costs are included in the viability testing. Furthermore, it should be highlighted that as the build costs are directly linked to a number of other inputs (i.e. 'Professional Fees' are calculated as a percentage of the build cost); an incorrect base build costs risks a significant underestimation of the true costs of development.
	1.12			We would therefore strongly advise that these figures are updated and the revised results published for consultation ahead of the DCS being submitted for examination. <u>Developer 's Profit</u>	We would therefore strongly advise that these figures are updated and the revised results published for consultation ahead of the DCS being submitted for examination. <u>Developer 's Profit</u>
	1.13			As previously discussed, the blended profit rate adopted by BNP in the Viability Study is below the minimum level required by national housebuilders, developers and land promoters. We would therefore ask that a minimum blended rate of 20% on GDV be reflected in the viability testing.	As previously discussed, the blended profit rate adopted by BNP in the Viability Study is below the minimum level required by national housebuilders, developers and land promoters. We would therefore ask that a minimum blended rate of 20% on GDV be reflected in the viability testing.
	1.14			This approach has recently been supported by an Inspector in relation to two residential development sites in Southend-on-Sea – <i>“Most of the risk of development remains and so, although I am aware that in some parts of the country developers are prepared to accept a return of 15%, for this appeal I accept the assertion of both parties’ experts...that a risk reward return of between 20% and 25% is a reasonable expectation for profits whether calculated on GDV or on costs, with expectations for profits calculated on the latter basis being sometimes higher still.” (Paragraph 6)</i>	This approach has recently been supported by an Inspector in relation to two residential development sites in Southend-on-Sea – <i>“Most of the risk of development remains and so, although I am aware that in some parts of the country developers are prepared to accept a return of 15%, for this appeal I accept the assertion of both parties’ experts...that a risk reward return of between 20% and 25% is a reasonable expectation for profits whether calculated on GDV or on costs, with expectations for profits calculated on the latter basis being sometimes higher still.” (Paragraph 6)</i>
	1.15			The Inspector also acknowledged the outcomes of the following appeal decisions, which supported a higher blended profit rate than currently reflected in the BNP viability testing for Southend-on-Sea: <ul style="list-style-type: none"> <li>• <b>Land at the Manor, Shinfield</b> – accepted evidence submitted by six national housebuilders on their targets and supported a blended rate of 20% on GDV;</li> <li>• <b>Land at Lowfield Road, Rotherham</b> – supported a rate of 22%, made up of 15% profit and 7% overheads; and</li> <li>• <b>Former Holsworthy Showground, Holsworthy.</b></li> </ul>	The Inspector also acknowledged the outcomes of the following appeal decisions, which supported a higher blended profit rate than currently reflected in the BNP viability testing for Southend-on-Sea: <ul style="list-style-type: none"> <li>• <b>Land at the Manor, Shinfield</b> – accepted evidence submitted by six national housebuilders on their targets and supported a blended rate of 20% on GDV;</li> <li>• <b>Land at Lowfield Road, Rotherham</b> – supported a rate of 22%, made up of 15% profit and 7% overheads; and</li> <li>• <b>Former Holsworthy Showground, Holsworthy.</b></li> </ul>
	1.16			We would therefore ask that the viability evidence is re-run to include a blended profit rate of 20% on GDV. <u>“ Three-Way Trade-Off”</u>	We would therefore ask that the viability evidence is re-run to include a blended profit rate of 20% on GDV. <u>“ Three-Way Trade-Off”</u>
	1.17			Under the NPPF, Local Planning Authorities are required to assess the likely “cumulative impacts” of all existing and proposed local and national standards when setting their CIL rates to ensure that meeting these standards will not put implementation at risk. This is important, as a “three-way trade- off” occurs between affordable housing, CIL and Section 106. Care should therefore be taken to ensure a deliverable five year housing land supply is realised.	Under the NPPF, Local Planning Authorities are required to assess the likely “cumulative impacts” of all existing and proposed local and national standards when setting their CIL rates to ensure that meeting these standards will not put implementation at risk. This is important, as a “three-way trade- off” occurs between affordable housing, CIL and Section 106. Care should therefore be taken to ensure a deliverable five year housing land supply is realised.
	1.18			We are therefore pleased to note that the viability testing reflects SSBC’s affordable housing policy. However, the results of BNP’s viability testing already indicates that a number of sites will struggle to support a CIL rate in addition to local planning policy requirements <i>“In assessing the results, it is important to clearly distinguish between two scenarios; namely, schemes that are unviable regardless of the level of CIL (including a nil rate) and schemes that are viable prior to the imposition of CIL at certain levels. If a scheme is unviable before CIL is levied, it is unlikely to come forward and CIL would not be a factor that comes into play in the developer’s/landowner’s decision making. We have therefore disregarded the ‘unviable’ schemes in recommending an appropriate level of CIL. <u>The unviable schemes will only become viable following a degree of real house price inflation, or in the event that the Council agrees to a lower level of affordable housing for particular sites in the short term.</u>”</i>	We are therefore pleased to note that the viability testing reflects SSBC’s affordable housing policy. However, the results of BNP’s viability testing already indicates that a number of sites will struggle to support a CIL rate in addition to local planning policy requirements <i>“In assessing the results, it is important to clearly distinguish between two scenarios; namely, schemes that are unviable regardless of the level of CIL (including a nil rate) and schemes that are viable prior to the imposition of CIL at certain levels. If a scheme is unviable before CIL is levied, it is unlikely to come forward and CIL would not be a factor that comes into play in the developer’s/landowner’s decision making. We have therefore disregarded the ‘unviable’ schemes in recommending an appropriate level of CIL. <u>The unviable schemes will only become viable following a degree of real house price inflation, or in the event that the Council agrees to a lower level of affordable housing for particular sites in the short term.</u>”</i>
	1.19			Given these conclusions it is therefore likely in some locations that the proposed CIL rates (particularly in Market Areas 1 – 3 where a “nominal” rate is proposed) combined with affordable housing policies would render schemes unviable. This is important as the result of CIL being non- negotiable is that the delivery of affordable housing is likely to suffer. As indicated by BNP above, the Council may choose in these instances to allow a viability case to be made at the Development Control stage. However we would strongly advise that this approach is not pursued by the Council for the following reasons: <ul style="list-style-type: none"> <li>• <b>Inefficient System</b> - this approach does not support the aim of national policy set out in the NPPF: to boost housing supply, inadequately addresses SSBC’s policy burden contrary to Paragraph 173 of the NPPF and creates greater developer (and investor) uncertainty; and</li> <li>• <b>Risk to affordable housing delivery</b> – SSBC already has a historic under-delivery of affordable housing, with only 10.9% of total completions in the period 2001 – 2013. Introduction of an unviable CIL rate will therefore only act to exacerbate affordable housing under delivery in the Borough.</li> </ul>	Given these conclusions it is therefore likely in some locations that the proposed CIL rates (particularly in Market Areas 1 – 3 where a “nominal” rate is proposed) combined with affordable housing policies would render schemes unviable. This is important as the result of CIL being non- negotiable is that the delivery of affordable housing is likely to suffer. As indicated by BNP above, the Council may choose in these instances to allow a viability case to be made at the Development Control stage. However we would strongly advise that this approach is not pursued by the Council for the following reasons: <ul style="list-style-type: none"> <li>• <b>Inefficient System</b> - this approach does not support the aim of national policy set out in the NPPF: to boost housing supply, inadequately addresses SSBC’s policy burden contrary to Paragraph 173 of the NPPF and creates greater developer (and investor) uncertainty; and</li> <li>• <b>Risk to affordable housing delivery</b> – SSBC already has a historic under-delivery of affordable housing, with only 10.9% of total completions in the period 2001 – 2013. Introduction of an unviable CIL rate will therefore only act to exacerbate affordable housing under delivery in the Borough.</li> </ul>

Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
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1.20 We would therefore strongly advocate that the Council undertakes further viability testing (in light of the comments raised above) to ensure that the proposed rates will not threaten the delivery of private and affordable housing in the Borough.

**Part 2 – The Proposed CIL Rates**

1.21 As previously discussed, we are concerned that the proposed rates in the DCS do not reflect the results of the viability evidence. We also remain concerned that a “nominal” rate is being proposed in Market Areas 1 -3.

**Table 2 – BNP Recommended CIL Rates**

Market Areas	Maximum CIL indicated by appraisals (£s per sqm)	CIL after buffer (£s per sqm)	Suggested three Zone Approach to CIL (£ per sq m)	Suggested two Zone Approach to CIL (£ per sq m)
1 - North central area, Airport, Westborough, Victoria and Prittlewell	N/A	Nominal rate of around £20	£10	£20
2 - Southchurch	N/A	Nominal rate of around £20	£10	£20
3 - Mid central area	N/A	Nominal rate of around £20	£10	£20
4 - Shoeburyness	£30	£21	£20	£20
5 - Eastwood, Belfairs and Blenheim	£30	£21	£20	£20
6 - South central area (below railway)	£50	£35	£40	£40
7 -Thorpe Bay	£80	£56	£40	£40
8 - Leigh-on-Sea and Chalkwell	£100	£70	£40	£40

Source: BNP Viability Study (December 2014)



Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
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**Table 3 - SSBC Proposed CIL Rates**

Development type	Proposed CIL rate
Residential (Class C3 and C4) – Zone 1 (Market areas 1-5)	£20
Residential (Class C3 and C4) – Zone 2 (Market area 6)	£30
Residential (Class C3 and C4) – Zone 3 (Market areas 7 and 8)	£60
Extra care and retirement housing (see below for definition)	£20
Convenience based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres)	£70
Development by a predominantly publicly funded or 'not for profit' organisation (see below for definition) including medical and health services, social care, education, emergency services, waste facilities, community facilities, sport and leisure facilities only	£0
All other uses not cited above	£10

Source: SSBC CIL DCS

1.22 We would therefore ask that the proposed rates are reviewed and the following points considered:

- i) The nominal rates removed and £0 per sq m rates applied to Market Areas 1 – 3;
- ii) Revised testing is undertaken for all Market Areas incorporating the points raised above to ensure that the proposed rates are still viable; and
- iii) Further explanation is provided by the Council and BNP to explain how the results have been interpreted, i.e. which BLV is most appropriate for each Market Area and typology.

### Conclusion

The assessment of planned development and its viability is an inherent test of the CIL Examination, making the following points significant:

- Incorrect Assumptions - A number of the key viability inputs adopted by BNP are incorrect, resulting in an over-estimation of the ability of sites to pay for CIL. We would therefore ask that additional viability testing is undertaken, incorporating current BCIS build costs and an appropriate developer's margin to assess whether the proposed CIL rates are still viable; and
- Unviable Rates – The proposed CIL rates are above the levels indicated in the Viability Study as being viable, based on BNP's assumptions. The current CIL rates are therefore unviable even before the points discussed above are taken in to account. We are therefore of the view that the proposed rates risk rendering a significant proportion of the housing supply across the Borough undeliverable.

We would therefore strongly advise that additional viability testing be undertaken in light of the points raised above. In addition, we would ask that the issues previously discussed in our DCS consultation response be considered, as none of these points have been taken in to account in the updated viability testing.

Moving forward, our client is open to a meeting with SSBC and its advisors to discuss the approach taken and to discuss common ground in advance of the Examination. To this end, we would like to reserve the right to be heard at Examination and to be notified when:

- The DCS is submitted to the Examiner in accordance with Section 212 of the PA 2008;
- The recommendations of the Examiner and the reasons for these recommendations are published; and

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<ul style="list-style-type: none"> <li>The Charging Schedule is approved.</li> </ul>	
Reps	3.1	1867	Comment	<p>This representation is intended to supplement the comments previously submitted to SSBC and does not reiterate our representations submitted to the DCS consultation. This representation is focused on the updated viability evidence, however, builds upon the issues we have previously raised and, where available, provides further evidence to support these concerns. Cogent Land LLP's particular comments relate to the proposed rates for residential development.</p> <p>It should be noted that this representation is made in the context of the Community Infrastructure Levy (Amendment) Regulations 2014 ("the Regulations") and relevant statutory guidance. These Regulations and associated guidance came in to force on 24 February 2014. The DCS will therefore be subject to the requirements of these latest set of Regulations and Guidance.</p>	Noted
	3.1	1868	Comment	<p>In light of the omissions and errors in the Key Documents prepared in support of the DCS, SSBC have reviewed and updated their Viability Study (undertaken by BNP, December 2014). At Examination the Council will be required to demonstrate that the DCS is supported by background documents containing "<i>appropriate available evidence</i>" and that the proposed rate(s) are '<i>informed by and consistent with, the evidence on economic viability</i>'. It is therefore essential that the viability appraisals are fit for purpose and strike an appropriate balance.</p> <p>We have reviewed the revised viability evidence and testing prepared by BNP. The following sections outlines the areas that we still have concerns over and justification for any differences.</p> <p><u>Appraisal Assumptions</u></p> <p>Savills and Cogent Land LLP still have significant concerns about the Benchmark Land Values, abnormals allowance, Professional Fees and Section 106 assumptions in the BNP Viability work. We have not addressed these points here and would highlight that our previous comments submitted to the DCS consultation still stand.</p>	Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1869	Object	<p><u>Build Costs</u></p> <p>We are particularly concerned that BNP have not updated their build costs – which stand at May 2013 levels - in the latest viability testing (December 2014). Build costs have increased rapidly over the past 12 months (see Table 1 below) and we would therefore expect BNP to have updated these figures in</p>	Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.

	Policy, Para, Section	Rep No	Object/ Support	Representation	Response to Representation
				<p>the latest viability testing.</p> <p>This indicates an average increase of 14.6% in build costs since May 2013. It is therefore essential that these increased costs are included in the viability testing. Furthermore, it should be highlighted that as the build costs are directly linked to a number of other inputs (i.e. 'Professional Fees' are calculated as a percentage of the build cost); an incorrect base build costs risks a significant underestimation of the true costs of development.</p> <p>We would therefore strongly advise that these figures are updated and the revised results published for consultation ahead of the DCS being submitted for examination.</p>	
	3.1	1870	<b>Object</b>	<p><u>Developer 's Profit</u></p> <p>As previously discussed, the blended profit rate adopted by BNP in the Viability Study is below the minimum level required by national housebuilders, developers and land promoters. We would therefore ask that a minimum blended rate of 20% on GDV be reflected in the viability testing.</p> <p>This approach has recently been supported by an Inspector in relation to two residential development sites in Southend-on-Sea –</p> <p><i>“Most of the risk of development remains and so, although I am aware that in some parts of the country developers are prepared to accept a return of 15%, for this appeal I accept the assertion of both parties’ experts...that a risk reward return of between 20% and 25% is a reasonable expectation for profits whether calculated on GDV or on costs, with expectations for profits calculated on the latter basis being sometimes higher still.”</i> (Paragraph 6)</p> <p>The Inspector also acknowledged the outcomes of the following appeal decisions, which supported a higher blended profit rate than currently reflected in the BNP viability testing for Southend-on-Sea:</p> <ul style="list-style-type: none"> <li>• <b>Land at the Manor, Shinfield</b> – accepted evidence submitted by six national housebuilders on their targets and supported a blended rate of 20% on GDV;</li> <li>• <b>Land at Lowfield Road, Rotherham</b> – supported a rate of 22%, made up of 15% profit and 7% overheads; and</li> <li>• <b>Former Holsworthy Showground, Holsworthy.</b></li> </ul> <p>We would therefore ask that the viability evidence is re-run to include a blended profit rate of 20% on GDV.</p>	<p>Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.</p> <p><b>Additional Council comment:</b> Although the Holsworthy appeal (APP/W1145/Q/13/2204429) has been cited, it is noted that ultimately the Inspector concluded that, taking all matters in the round, he was not persuaded that a profit of 20% on both open market and affordable housing had been justified. A reduced profit level on affordable housing reflects the GLA 'Development Control Toolkit' guidance and Homes and Communities Agency's guidelines in its Economic Appraisal Tool as affordable housing carries less risk and a profit of approximately 6% relating to the affordable housing element has been considered reasonable at a number of appeals. In the recent appeal decisions relating to two sites on the London Road in Southend (APP/D1590/Q/14/2228062 and APP/D1590/Q/14/2228065) that Savills refer to, although the Inspector accepted a profit level of 20-25% on GDV or costs for the mixed private/affordable scheme it is clear that this was due to the specific financing arrangements of the developer in this instance. The same applied to the appeal cited in relation the Land at Lowfield Road, Rotherham (APP/R4408/Q/14/2216976) in that it is clear how profit relates to risk and accordingly this appeal was determined with the specific developer and their developments' circumstances in mind based on the evidence provided to the Inspector. It is not appropriate to assume this is an average</p>

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
					market assumption, but rather falls within the accepted market range of 15-25% albeit at the higher end of the range given the perceived increased level of risk. It is therefore considered wholly appropriate for the Council to disregard these recent exceptional cases and continue in its viability testing for both planning applications and CIL based on what has become an established position nationwide; thus applying a 20% profit for private housing and 6% profit for affordable housing, reflecting the different risk attached to each.
	3.1	1871	<b>Object</b>	<p><u>“ Three-Way Trade-Off”</u>  Under the NPPF, Local Planning Authorities are required to assess the likely “cumulative impacts” of all existing and proposed local and national standards when setting their CIL rates to ensure that meeting these standards will not put implementation at risk. This is important, as a “three-way trade- off” occurs between affordable housing, CIL and Section 106. Care should therefore be taken to ensure a deliverable five year housing land supply is realised.</p> <p>We are therefore pleased to note that the viability testing reflects SSBC’s affordable housing policy. However, the results of BNP’s viability testing already indicates that a number of sites will struggle to support a CIL rate in addition to local planning policy requirements</p> <p><i>“In assessing the results, it is important to clearly distinguish between two scenarios; namely, schemes that are unviable regardless of the level of CIL (including a nil rate) and schemes that are viable prior to the imposition of CIL at certain levels. If a scheme is unviable before CIL is levied, it is unlikely to come forward and CIL would not be a factor that comes into play in the developer’s/landowner’s decision making. We have therefore disregarded the ‘unviable’ schemes in recommending an appropriate level of CIL. <u>The unviable schemes will only become viable following a degree of real house price inflation, or in the event that the Council agrees to a lower level of Affordable housing for particular sites in the short term.</u>”</i></p>	Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
	3.1	1872	<b>Object</b>	Given these conclusions it is therefore likely in some locations that the proposed CIL rates (particularly in Market	Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>Areas 1 – 3 where a “nominal” rate is proposed) combined with affordable housing policies would render schemes unviable. This is important as the result of CIL being non-negotiable is that the delivery of affordable housing is likely to suffer. As indicated by BNP above, the Council may choose in these instances to allow a viability case to be made at the Development Control stage. However we would strongly advise that this approach is not pursued by the Council for the following reasons:</p> <ul style="list-style-type: none"> <li>• <b>Inefficient System</b> - this approach does not support the aim of national policy set out in the NPPF: to boost housing supply, inadequately addresses SSBC’s policy burden contrary to Paragraph 173 of the NPPF and creates greater developer (and investor) uncertainty; and</li> <li>• Risk to affordable housing delivery – SSBC already has a historic under-delivery of affordable housing, with only 10.9% of total completions in the period 2001 – 2013. Introduction of an unviable CIL rate will therefore only act to exacerbate affordable housing under delivery in the Borough</li> </ul> <p>We would therefore strongly advocate that the Council undertakes further viability testing (in light of the comments raised above) to ensure that the proposed rates will not threaten the delivery of private and affordable housing in the Borough. We would therefore ask that the proposed rates are reviewed and the following points considered:</p> <ol style="list-style-type: none"> <li>i) The nominal rates removed and £0 per sq m rates applied to Market Areas 1 – 3;</li> <li>ii) Revised testing is undertaken for all Market Areas incorporating the points raised above to ensure that the proposed rates are still viable; and</li> <li>iii) Further explanation is provided by the Council and BNP to explain how the results have been interpreted, i.e. which BLV is most appropriate for each Market Area and typology.</li> </ol>	<p>from BNP Paribas Real Estate.</p> <p><b>Additional Council comment:</b> Savills state that the proposed CIL rates combined with affordable housing policies would render schemes unviable. However, the viability testing has allowed for full compliance with the Council’s affordable housing policy.</p>
	3.1	1873	<b>Object</b>	<p>Conclusion The assessment of planned development and its viability is an inherent test of the CIL Examination, making the following points significant:</p> <ul style="list-style-type: none"> <li>• Incorrect Assumptions - A number of the key viability inputs adopted by BNP are incorrect, resulting in an over-</li> </ul>	<p>Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.</p>

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
				<p>estimation of the ability of sites to pay for CIL. We would therefore ask that additional viability testing is undertaken, incorporating current BCIS build costs and an appropriate developer's margin to assess whether the proposed CIL rates are still viable; and</p> <ul style="list-style-type: none"> <li>Unviable Rates – The proposed CIL rates are above the levels indicated in the Viability Study as being viable, based on BNP's assumptions. The current CIL rates are therefore unviable even before the points discussed above are taken in to account. We are therefore of the view that the proposed rates risk rendering a significant proportion of the housing supply across the Borough undeliverable.</li> </ul>	
	3.1	1874	<b>Object</b>	<p>We would therefore strongly advise that additional viability testing be undertaken in light of the points raised above. In addition, we would ask that the issues previously discussed in our DCS consultation response be considered, as none of these points have been taken in to account in the updated viability testing. Moving forward, our client is open to a meeting with SSBC and its advisors to discuss the approach taken and to discuss common ground in advance of the Examination. To this end, we would like to reserve the right to be heard at Examination and to be notified when:</p> <ul style="list-style-type: none"> <li>The DCS is submitted to the Examiner in accordance with Section 212 of the PA 2008;</li> <li>The recommendations of the Examiner and the reasons for these recommendations are published; and</li> </ul> <p>The Charging Schedule is approved.</p>	Addressed in Section 4 of the Overview Report (Feb 2015), which includes a detailed response on behalf of the Council from BNP Paribas Real Estate.
<b>Respondent</b>	<b>Essex County Council - Ms Stenhouse</b>				
<b>Full Submission</b>	<p><b>FOCUSSED CONSULTATION ON</b> Sections 3 &amp; 6 of the DCS; the Infrastructure Delivery Plan (Sept 2014) and Viability Report;  Re: Southend BC's Community Infrastructure Levy (CIL) – Draft Charging Schedule and Supplementary Planning Document 2 (SPD2): Planning Obligations  Thank you for notifying Essex County Council (ECC) of the above focussed consultation as a follow up to the recent consultation on SPD2 which closed in December 2014. The following is an officer response from ECC to this focussed consultation, covering matters relevant to ECCs statutory service provision and its function as Minerals and Waste Planning Authority. The response does not cover ECC as a landowner and/or prospective developer. A separate response will be made on these matters (if relevant) and that response should be treated in the same way as a response from other developers and/or landholders.'</p> <p><b>ECC Response:</b>  Overall ECC continues to broadly support the proposed CIL Draft Charging Schedule as set out in our consultation response dated 15 December 2014 (see Appendix 1). In respect of the Transport Section within the Infrastructure Delivery Plan, we have no comments to make and note that this is predominantly covered by the Local Plans (including the Joint Area Action Plan regarding Southend Airport and surrounds), the A127 Corridor for Growth – An Economic Plan which are referenced within the IDP. ECC has no further comments to make and will continue to work with Southend on Sea Borough to develop these joint transportation projects and the submission of joint</p>				

	Policy, Para, Section	Rep No	Object/Support	Representation	Response to Representation
	bids for funding.				
Reps	3.1	1875	Support	Overall ECC continues to broadly support the proposed CIL Draft Charging Schedule as set out in our consultation response dated 15 December 2014 (see Appendix 1).	Noted
	6.1	1876	Comment	In respect of the Transport Section within the Infrastructure Delivery Plan, we have no comments to make and note that this is predominantly covered by the Local Plans (including the Joint Area Action Plan regarding Southend Airport and surrounds), the A127 Corridor for Growth – An Economic Plan which are referenced within the IDP.	Noted
	6.1	1877	Comment	ECC has no further comments to make and will continue to work with Southend on Sea Borough to develop these joint transportation projects and the submission of joint bids for funding.	Noted
	6.1	1878	Comment	<p>INFORMAL COMMENT –</p> <p>FYI – below are a couple of informal minor observations for your information / consideration only. We have not suggested these as formal changes</p> <p>1.Paragraph 6.14:</p> <p>Observation for consideration: - It may be of assistance to include an additional sentence at the end of paragraph 6.14 to acknowledge that the A127 Growth Corridor Strategy is a “live” document to be developed further between the authorities.</p> <p>Action: Suggested text for consideration: This is a live document that will be subject to review and further development.</p> <p>2.Observation for consideration: It may be of assistance to update to the Transport Section to reflect the outcome of the July 2014 LGF bid.</p> <p>Action – for consideration</p>	Noted and IDP updated Feb 2015 to reflect the latest position in respect of funding received from the Local Growth Fund including an adjustment of funding gap figures (see IDP and Overview Report Feb 2015 for details).







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### 1. PLANNING POTENTIAL ON BEHALF OF ALDI STORES

We note that Planning Potential (PP) have identified that their client ALDI are 'actively looking for new development opportunities to expand their investment in the borough, and deliver a range of benefits to the local community. Although no new site-specific opportunities have been identified at present, our client envisages presenting new foodstore proposals to the Council in the future.<sup>1</sup> This demonstrates that ALDI considered foodstore development in Southend-on-Sea to be a viable development and further a profitable location with potential and capacity for further expansion for their business.

BNP Paribas Real Estate's first observation is that although PP identify that ALDI are concerned about the proposed charge rates for convenience retail on the viability of a prospective development, we would note that they have not provided any evidence to demonstrate this to be the case. We would also highlight their comment that they have not identified any site-specific opportunities at present, so we question how they have arrived at their conclusion that the proposed rates would impact upon the viability of their prospective development.

As set out in our viability report, we acknowledge that size does not necessarily result in the higher values generated by supermarkets and superstores and retail warehousing uses. Rather, is it a combination of factors including:

- The availability of car parking;
- The operational economics of supermarkets/superstores (these uses are known to be efficient at generating volume sales whilst having low operating costs);
- The rents that retailers are willing to pay to occupy these units tend to be high (particularly with regard to comparison retailing as these locations will command prime rents in the area);
- The value which the investment market ascribes to such units is high. This is due to such units being occupied by operators with greater covenant strength, which results in lower yields being applied; and
- Such large developments are also likely to come forward on sites which have lower existing use values i.e. a large majority of large retail units have historically been developed on former industrial sites and as a result a lower benchmark land value is achieved, which results in a higher surplus and consequently a potential for a higher CIL rate.

We have undertaken appraisals of such developments adopting rents and yields to establish the GDV and allowing for appropriate development costs from the BCIS database. The BCIS database identifies that there are differences in build costs between units up to 1,000 sq m and above 5,000 sq m. This is the reason for testing these two thresholds as a difference in build costs will have an impact on the viability of a scheme. BNP Paribas Real Estate and the Council have sought to set the CIL charge for such units based on the lower viability scenario of units up to 1,000 sq m, which are identified as having higher build costs than larger units.

As explained in our Viability Report the threshold at 280 sq m relates to the nature of the occupiers of smaller units, which has an impact on viability due to the covenant strength (and as a result the yield applied<sup>2</sup>), rather than there being a difference relating to the costs of

<sup>1</sup> Underlining BNP Paribas Real Estate's emphasis

<sup>2</sup> See para 3.38 of our Viability Report for further information



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developing such units. See attached appraisals at **Appendix 1** relating to the supermarkets and superstores and retail warehousing uses for ease of reference.

BNP Paribas Real Estate considers that ALDI stores would compete with other supermarket and superstores and retail warehousing uses in the market for sites and would therefore pay rents of a similar level as their competitors. Given the strength of ALDI as a company we consider that such units would also achieve lower yields than that of local occupiers. BNP Paribas Real Estate also notes that PP have not provided any evidence to the contrary and in this regard we consider that such stores would be able to viably support CIL charges as proposed in the DCS. Further, we would highlight that the proposed CIL of £70 per sq m amounts to 2.1% of GDV, which is highlight unlikely to have a significant impact on a developer's decision to bring a development forward.



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**2. SAVILLS ON BEHALF OF COGENT LAND**

**2.1 Up-to-date evidence**

Firstly BNP Paribas Real Estate would like to clarify, as highlighted on the Council's consultation website, that the December 2014 report only sought to address the minor error found in the Viability Study appraisals previously published i.e. that the 0% AH appraisals had been run with 10% AH by mistake. The appraisals were re-run and included in the revised Viability Study tables and appendices as appropriate. We confirm that this error has had no impact on the advice of the study and the Viability Addendum Note July 2014 remains unchanged.

The Council has sought to rely on the best available evidence in producing their charging schedule and in line with the NPPF, the Council has sought to undertake their CIL testing and Local Plan testing in a coordinated manner. The CIL study therefore uses 'appropriate available evidence' (CIL Guidance Paragraph: 019 Reference ID: 25-019-20140612) and leads on from the Local Plan study, thereby 'drawing on existing data' as it was available (CIL Guidance Paragraph: 019 Reference ID: 25-019-20140612).

The nature of the development of CIL charging schedules is that they typically take circa 2 years from the start of preparation to adoption given the requirement to comply with the required procedures such as; establishing a robust evidence base, undertaking the necessary statutory consultation periods and reporting as well as the Council's own internal reporting procedures. Such viability studies are by their very nature a snapshot in time. It is not necessary for a charging authority to be continuously updating their viability evidence base and charging schedule rates during the production of their charging schedule unless:

- they have concerns or further evidence is raised that identifies that the rates as proposed would put at risk the delivery of their local plan; or
- that the market has improved so significantly that they would be able to achieve rates that would make a significant difference in their CIL income; or
- that there have been adverse market changes that could make viability worse.

Further, continuous reviews of the viability where there are not serious concerns, as set out above, might be considered to be counterproductive in reaching a set of rates that seek to achieve an acceptable balance in collecting money for infrastructure whilst not putting the Local Plan at risk.

As part of the viability evidence base, we have undertaken sensitivity testing to establish the change to the maximum CIL rates based on forecasts of where the development market might be in 2016. Paragraph 1.4 of our Viability Report sets out that, '*The housing and commercial property markets are inherently cyclical and the Council is testing its proposed rates of CIL at a time when the market is recovering after a severe recession. Residential values in Southend have recovered to a degree but still remain circa 8.4% below the 2008 peak levels<sup>3</sup>. Forecasts for future house price growth indicate continuing growth in the 'mainstream' UK and East of England markets. We have allowed for this by running a sensitivity analysis which varies the base sales values and build costs, with values increasing by 18.5% and costs by 8.5%. This reflects the growth predicted by Savills in their research report, 'Residential Property Focus Q4 2013<sup>2</sup> from 2014 to 2016 (i.e. the potential life of a charging schedule), and forecasted growth in build costs as identified from the RICS Build Costs Information Service ('BCIS') over the*

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<sup>3</sup> As identified from the Land Registry's online House Price Index database  
(<http://www.landregistry.gov.uk/public/house-prices-and-sales/search-the-index>)



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*same period.'* Our report also identifies at footnote 2 and para 2.22 that that, '*since the appraisals were undertaken Savills have since released their Q1 2014 report which highlights higher growth than that tested*'. Para 2.22 identifies that Savills' '*medium term predictions are that properties in the mainstream East of England markets will grow over the period 2014 to 2018. Savills predict that values in mainstream East markets (i.e. non-prime) will experience cumulative growth of 30.7% between 2014 to 2018 inclusive, compared to a UK average of 25.2% cumulative growth over the same period.*'

The residential data adopted in the CIL study was originally sourced for the Local Plan testing work in Q1 of 2013. The Land Registry index database identifies that average sales values have increased in Southend-on-Sea by 12.4% between January 2013 and December 2014 (the most recent date of available residential information available). We note the complete absence of this element being raised in Savills' representations and in particular in their Round 3 Consultation on Section 3 and 6 of the CIL Draft Charging Schedule, in which they insist that the costs be increased but do not reflect the corresponding uplift in residential revenue. This clearly demonstrates that Savills on behalf of Cogent Land are not seeking to assist the Council in arriving at an appropriate CIL charge which achieves a balance between viability and delivering infrastructure to support growth. We note that the most recent Savills Residential Property Focus Report Q1 2015 (February 2015) maintains the stance expressed in their Q4 2014 report that that values in mainstream East of England markets (i.e. non-prime) will experience cumulative growth of 25.2% between 2015 to 2019 inclusive compared to a UK average of 19.3% cumulative growth over the same period. Further there is a prediction of 3% growth during 2015 and 6% growth in 2016 with a further 6% in 2017, 4% in 2018 and 4% in 2019.

The BCIS data base General Building Cost Index identifies a 4.37% increase in build costs over the corresponding period of January 2013 to December 2014 and the BCIS All-in-Tender Price Index reflects an increase of 8.97% over the same (see Appendix 2). We would highlight that those developers who tender will face the higher costs, however not all developers in the Borough will do so. Those who do not could achieve build costs in line with the General Building Cost Index.

This clearly identifies that residential value growth in the Borough is higher than the growth in build costs over the intervening period and in this regard viability will have improved.

In light of the above we have undertaken further sensitivity testing to demonstrate the impact of the change in residential values and build costs on the maximum CIL charges. Where there has been a change to the maximum value the sensitivity tested results are identified in red (reflecting BCIS General Building Cost Index) and blue (reflecting BCIS All-in-Tender Price Index) and in brackets next to the base position results, upon which the CIL rates were set. This testing clearly demonstrates that the viability position in the Borough has improved over the intervening period and the CIL charges as proposed by the Council will not put development at risk.



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**Table 2.1.1: Site Type 1 - 4 unit development (houses) 0% affordable housing**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	NV	NV	NV	50 (180) (120)
Area 2	NV	NV	NV (80) (20)	220 (250) (250)
Area 3	NV	NV	80 (250) (200)	250 (250) (250)
Area 4	NV	NV (20)	180 (250) (250)	250 (250) (250)
Area 5	NV	NV (80) (20)	220 (250) (250)	250 (250) (250)
Area 6	NV	100 (250) <sup>4</sup> (250)	250 (250) (250)	250 (250) (250)
Area 7	NV	220 (250) (250)	250 (250) (250)	250 (250) (250)
Area 8	NV	250 (250) (250)	250 (250) (250)	250 (250) (250)

**Table 2.1.2: Site Type 2 - 8 unit development (Flats) 0% affordable housing**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	NV	NV	NV	NV
Area 2	NV	NV	NV	NV
Area 3	NV	NV	NV	NV (0)
Area 4	NV	NV	NV	NV (80) (0)
Area 5	NV	NV	NV (20)	NV (120) (40)
Area 6	NV	NV (150) (50)	80 (250) (150)	180 (250) (250)
Area 7	NV	80 (250) (200)	200 (250) (250)	250 (250) (250)
Area 8	NV (180) (100)	250 (250) (250)	250 (250) (250)	250 (250) (250)

**Table 2.1.3: 12 unit development (houses), 20% Aff Housing, 34 dph**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	N/V	N/V	N/V	N/V (80) (0)
Area 2	N/V	N/V	N/V	150 (250) (200)
Area 3	N/V	N/V	20 (150) (80)	250 (250) (250)
Area 4	N/V	N/V	100 (250) (180)	250 (250) (250)
Area 5	N/V	N/V	150 (250) (230)	250 (250) (250)
Area 6	N/V	20 (210) (140)	250 (250) (250)	250 (250) (250)
Area 7	N/V	150 (250) (250)	250 (250) (250)	250 (250) (250)
Area 8	N/V	250 (250) (250)	250 (250) (250)	250 (250) (250)

<sup>4</sup> £250 per sq m is the upper end of the range of CIL rates tested in BNP Paribas Real Estate's viability appraisal model.



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**Table 2.1.4: 16 unit development (flats), 20% Aff Housing, 133 dph**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	N/V	N/V	N/V	N/V
Area 2	N/V	N/V	N/V	N/V
Area 3	N/V	N/V	N/V	N/V
Area 4	N/V	N/V	N/V	N/V
Area 5	N/V	N/V	N/V	N/V
Area 6	N/V	N/V	N/V	N/V (100) (0)
Area 7	N/V	N/V	N/V (120) (0)	80 (240) (120)
Area 8	N/V	20 (220) (100)	150 (250) (240)	250 (250) (250)

**Table 2.1.5: 20 unit scheme (houses and flats), 20% Aff Hsg, 77 dph**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	N/V	N/V	N/V	N/V (0)
Area 2	N/V	N/V	N/V (20)	50 (180) (100)
Area 3	N/V	N/V (20)	50 (200) (120)	240 (250) (250)
Area 4	N/V	N/V (100) (20)	150 (250) (220)	250 (250) (250)
Area 5	N/V	0 (150) (80)	180 (250) (250)	250 (250) (250)
Area 6	N/V	200 (250) (250)	250 (250) (250)	250 (250) (250)
Area 7	N/V	250 (250) (250)	250 (250) (250)	250 (250) (250)
Area 8	N/V (180) (100)	250 (250) (250)	250 (250) (250)	250 (250) (250)

**Table 2.1.6: 45 unit scheme (houses and flats), 20% Aff Hsg, 66 dph**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	N/V	N/V	N/V	N/V
Area 2	N/V	N/V	N/V	N/V (50)
Area 3	N/V	N/V	N/V (40)	120 (250) (150)
Area 4	N/V	N/V	N/V (120) (50)	200 (250) (250)
Area 5	N/V	N/V	20 (180) (100)	240 (250) (250)
Area 6	N/V	0 (180) (100)	240 (250) (250)	250 (250) (250)
Area 7	N/V	120 (250) (240)	250 (250) (250)	250 (250) (250)
Area 8	N/V	250 (250) (250)	250 (250) (250)	250 (250) (250)



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**Table 2.1.7: 60 unit scheme (flats), 30% Aff Hsg, 200 dph**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	N/V	N/V	N/V	N/V
Area 2	N/V	N/V	N/V	N/V
Area 3	N/V	N/V	N/V	N/V
Area 4	N/V	N/V	N/V	N/V
Area 5	N/V	N/V	N/V	N/V
Area 6	N/V	N/V	N/V	N/V
Area 7	N/V	N/V	N/V	N/V
Area 8	N/V	N/V	N/V	N/V

**Table 2.1.8: 100 unit scheme (houses and flats), 30% Aff Hsg, 100 dph**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	N/V	N/V	N/V	N/V
Area 2	N/V	N/V	N/V	N/V
Area 3	N/V	N/V	N/V	N/V
Area 4	N/V	N/V	N/V	N/V
Area 5	N/V	N/V	N/V	N/V
Area 6	N/V	N/V	N/V	N/V
Area 7	N/V	N/V	N/V	N/V (120) (0)
Area 8	N/V	N/V	N/V (140) (20)	180 (250) (230)

**Table 2.1.9: 150 unit scheme (houses and flats), 30% Aff Hsg, 75 dph**

Market area	BLV1	BLV2	BLV3	BLV4
Area 1	N/V	N/V	N/V	N/V
Area 2	N/V	N/V	N/V	N/V
Area 3	N/V	N/V	N/V	N/V
Area 4	N/V	N/V	N/V	N/V (50)
Area 5	N/V	N/V	N/V	N/V (100) (0)
Area 6	N/V	N/V	N/V (80) (0)	180 (250) (230)
Area 7	N/V	N/V	50 (220) (120)	250 (250) (250)
Area 8	N/V	0 (180) (80)	250 (250) (250)	250 (250) (250)



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## **2.2 Viability Inputs**

BNP Paribas Real Estate would like to clarify that we do not consider our assumptions adopted in the viability assessment to be 'incorrect'. As Savills identify later in their proposals there is a fundamental disagreement between Savills and BNP Paribas Real Estate with respect to these inputs.

### **Profit**

We would highlight that Savills have misinterpreted our response. We strongly agree that profit margins relate to risk. Our assumed return on the affordable housing is 6%. A lower return on the affordable housing is appropriate as there is very limited sales risk on these units for the developer; there is often a pre-sale of the units to an RP prior to commencement. Any risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer. A reduced profit level on the affordable housing reflects the GLA 'Development Control Toolkit' guidance and Homes and Communities Agency's guidelines in its Economic Appraisal Tool. In response to Savills' comments in relation to these models being 'produced when grant funding was still readily available' we would highlight that the GLA commissioned a review of the toolkit in 2012 and an updated version taking into consideration the feedback and recommendations from the review was published in February 2014. Both the review and the updated toolkit clearly took place following the Comprehensive Spending Review (2010) and the publication of the and the '2011-15 Affordable homes Programme – Framework' document (February 2011), which provided the clear indication that Section 106 schemes are no longer likely to be allocated Grant funding, except in exceptional circumstances.

This issue was considered in detail by the Inspector of the Former Holsworthy Showground, Trewyn Road, Holsworth Appeal<sup>5</sup>. It should be noted that this decision came after the Shinfield Appeal decision<sup>6</sup>. The Inspector identified that, *'profit margin will vary from site to site and in different circumstances. On risky sites it is to be expected that profit expectations would be higher, and vice versa.'* He goes on to state that, *'there are various 'rules of thumb' which are quoted when discussing developer profit, and these tend to vary between 15% and 25%. That would tend to support a mid range figure in the region of 20% for a 'run of the mill' site. But equally it is often a 'rule of thumb' that affordable housing carries less risk and that a profit of about 6% is reasonable. That is not the aspiration of the developer here. However, I have heard no convincing evidence that the risks of affordable housing provision on this site are such that 20% across the board profit is reasonable. Adoption of 20% for open market and 6% affordable in this case would produce a 'blended' margin of about 18%.'* He concludes by stating that, *'taking these matters in the round I am not persuaded that a profit of 20% on both open market and affordable housing has been justified. The risk of affordable provision here is not greater than would be expected on any site given the existing need for affordable housing.'*

### **Professional fees**

BNP Paribas Real Estate appreciates that Savills advocate a higher allowance of 12% professional fees on all typologies tested, however we reiterate that in our experience professional fees range between 8% and 12% depending on the nature of the site and in this regard we have adopted 10% which is considered to be a reasonable assumption for an area wide assessment and which has been accepted at numerous CIL Examinations. We would also wish to reiterate that the Council have advised that in number of developments in the Borough the level of professional fees that have been adopted in the site specific viability assessments submitted to the Council have been lower than 10%.

<sup>5</sup> Appeal Ref: APP/W1145/Q/13/2204429

<sup>6</sup> Appeal Refs: APP/X0360/A/11/2151409, APP/X0360/A/11/2151413 and APP/X0360/A/11/2151402





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Further, we also note that despite our comment in our responses to Savills' representations at the PDCS stage highlighting that they have not provided any evidence to support their assertion that a higher rate should be adopted, they have still not provided any evidence in their further representations to the DCS consultation.

### ***Abnormals/Brownfield Land***

With regard to abnormal costs, it is unlikely that all sites will incur abnormal costs and it is not possible or reasonable to incorporate abnormal costs for remediation of brownfield sites within an area wide viability study. By their very nature these costs are site specific and as such will vary across all sites. The main reason for allowing a buffer from the maximum CIL charge is to account for differences between sites. BNP Paribas Real Estate would highlight that the Bristol CIL examiner identified this at Para 26 of his report dated July 2012, stating that, *'By definition, the CIL cannot make allowance for abnormal, site specific, costs. The rates have to be based on a generic analysis of a variety of size and type of schemes across the area, taking into account average local build costs, not the individual circumstances of particular sites. The fact that a few specific schemes that are already marginal may become unviable in certain locations should not have a significant impact on the delivery of new housing across the city to meet the requirements of the adopted CS.'* In addition it is considered that the costs associated with the remediation of such sites would be taken into consideration in the land value.

We would reiterate with regard to the adoption of buffers that there is no required level of buffer that should be adopted the guidance simply requires that rates are not set at the limits of viability. In this regard the level of buffer to be adopted is entirely within a charging authorities' judgement when establishing the balance required by Regulation 14. We would also highlight that the £20 per square metre rate adopted for areas 1 to 3 is a nominal rate, not a maximum rate.

### ***Benchmark Land Values***

The residential growth identified for the Borough in the Local Plan is identified as coming predominantly from previously developed/brownfield sites. As a result we have tested the viability of a range of developments identified as likely to come forward in the borough over the plan period against a range of benchmark land values as it is recognised that development will come from a range of brownfield uses in the borough. We would highlight our comments set out at para 4.41 of our Viability Study (May 2014). This sets out that, *'The four benchmark land values used in this study have been selected to provide a broad indication of likely land values across the Borough, having regard to the predominant types of sites that have come forward and those identified by the Council as coming forward in future. It is important to recognise however, that other site uses and values may exist on the ground. There can never be a single threshold land value at which we can say definitively that land will come forward for development, especially in urban areas.'*

The benchmarks adopted reflect higher and lower value offices, industrial/warehouse uses and sites in community use/owned by the Council. As development could come forward from all four existing uses across the borough we have considered all four benchmarks in determining the maximum CIL rates for each area. We have disregarded schemes which are identified in our assessment as being unviable before the application of CIL. We note that the Examiner's Report on the London Borough of Newham's Draft CIL Charging Schedule he identifies at para 16 that, *'As stated in the Viability Study, if a scheme is not viable before CIL is levied it is unlikely to come forward and CIL is, therefore, unlikely to be a material consideration in any development decision. Consequently, the Viability Study, sensibly in my view, did not factor in unviable schemes in recommending appropriate rates.'* It is evident through the testing that the redevelopment of sites currently in higher value office use is identified as being unviable and it



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is unlikely that development would come forward on sites in such uses. However, we consider that it would be likely that such sites would, where feasible, come forward as changes of use to residential given the change to planning legislation.

### **2.3 Alternative Development Appraisals**

In light of our comments set out above in which we strongly disagree with Savills' alternative inputs we do not consider that their alternative appraisals are appropriate available evidence for the setting of CIL charges. We would also highlight that a development of 12 units in Southend-on-Sea would not be required to provide 30% affordable housing (as suggested by Savills), the policy position seeks 20% affordable housing on such sites.

### **2.4 Interpretation of results, rates setting and delivery of Local Plan**

The CIL Guidance identifies that charging authorities do not have to set a nil rate, they can set a low rate. Paragraph: 021 Reference ID: 25-021-20140612 states '*..the charging authority should consider setting a low or zero levy rate...*'. In BNP Paribas Real Estate's opinion the key word in the guidance is '*consider*' and in this regard the guidance does not require charging authorities to set a nil rate and the test in the regulations is to set a CIL rate that balances the desirability of CIL income against the potential adverse impact on viability taken across the area as a whole. It is the charging authority's prerogative to establish the appropriate balance between raising money from CIL to fund and deliver much needed infrastructure to support development in their area and not putting development across the charging authority area at risk. In this regard it is noted that the CIL Guidance identifies (Paragraph: 019 Reference ID: 25-019-20140612) that 'there is no requirement for a proposed rate to exactly mirror the evidence... There is room for some pragmatism.'

The rates proposed are of a nominal level and the CIL charge proposed is unlikely to be the determining factor in relation to viability and to have an impact on a developer's decision making as to whether to bring forward a development or not i.e. the proposed charges equate to no more than 2% and in most cases below 1.5% of scheme costs for residential and 1% for commercial uses. Savills particularly reference the £20 per square metre charge proposed in market areas 1-5, which is identified as equating to between 0.9% and 1.2% of scheme costs. A CIL charge of this level is very unlikely be the determining factor which makes a development unviable and therefore would not threaten the delivery of the Local Plan, particularly as CIL is not an entirely new charge as it replaces most of the S106 contributions previously required. We would also highlight that the CIL Study takes a conservative position in that it does not account for any existing floorspace that could be discounted from the chargeable floorspace of a proposed development. Given that the bulk of the development expected to come forward is from brownfield sites it is very likely that most of these would include existing floorspace that would be netted off the proposed floorspace when calculating the chargeable floorspace, the maximum CIL rates set out in our study therefore provide the worst case scenario.

We would also highlight that Savills have not provided any evidence that would demonstrate that a cost that amounts to no more than 1.2% of development costs would threaten the delivery of the Local Plan. Build cost inflation of 4.37% costs shown by BCIS (Build Cost Index) has not prevented schemes coming forward, which demonstrates that little weight can be attached to Savills' assertions.

The reasoning behind seeking a nominal CIL charge of £20 per square metre on residential development in these areas is that such uses that will be placing a demand on growth associated infrastructure and this will assist in raising funds to put towards the infrastructure



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required to support this growth that CIL could possibly be spent on (i.e. as identified in the IDP and Regulation 123 Infrastructure List). This will ensure that when such development comes forward it is delivered sustainably. It would be unreasonable to expect developments not to contribute towards the delivery of necessary infrastructure required to support the growth envisaged by the Local Plan, to which they contribute.

Our appraisals identify that even setting a nil rate of CIL, particularly in market areas 1-3, would not ensure that all development could come forward i.e. some development will be unviable prior to the application of CIL. This is the case currently however, there will always be sites and schemes where by their very nature and the state of the market in certain areas are unviable. If a site is unviable it will not come forward unless something changes to make the scheme viable. The CIL charge will to a large extent replace an existing S106 requirements so it will be down to sales values, build costs and other inputs into a development to turn the viability of a scheme around to ensure it is deliverable. It is highly unlikely that a charge amounting to no more than 2% across the borough and no more than 1.2% in the lowest value areas would be the determining factor to make a developer change their mind on the deliverability of a site.

In this regard we reiterate the LB Newham CIL Examiner's comments in his report that, *'if a scheme is not viable before CIL is levied it is unlikely to come forward and CIL is, therefore, unlikely to be a material consideration in any development decision'*. This is particularly pertinent in Southend on Sea, where should a development come forward, the CIL charges proposed are of such a nominal level that they are unlikely to have an impact on or be the determining factor in a developer's decision making as to whether to bring forward a development or not. We would state again that CIL is not a wholly new charge; it will replace

the majority of S106 contributions previously required. In this regard the Council considers that it has struck an appropriate balance between needing to raise money to fund infrastructure whilst not putting the delivery of their Local Plan at risk, as required by Regulation 14.

BNP Paribas Real Estate fundamentally disagrees with the conclusion of the Examiner on the LB Tower Hamlet's CIL Draft Charging Schedule *Report 'that the proposed CIL charges could be determinative of whether or not one or more of the large allocated schemes would be likely to come forward'* and that *'in Tower Hamlets there would be a reasonable likelihood of CIL rendering unviable development on large allocated sites'*. We would identify that the strategic sites identified relate to schemes of circa 1,000 units and significantly more. These schemes were identified as being unviable regardless of CIL, however we would note that all the schemes in question have either recently (in the last year) been granted planning consent or are currently being determined or worked up for submission. Therefore there is clearly a disparity between the viability undertaken in the area wide study (which was undertaken with limited scheme specific information and assistance from the landowners, who despite being asked on numerous occasions to provide their appraisals of their site did not do so) and that in reality given the scheme are coming forward so must be able to make a reasonable return for a developer to pursue them. They would also be making significant S106 contributions under the current requirements and as stated previously CIL is not an entirely new charge; it replaces much of the existing S106 requirements. We would highlight that the CIL examiner for the LB Hackney CIL allowed CIL charges on the Bishopsgate Goods Yard site (at a rate commensurate with the CIL proposed by the LB Tower Hamlets), one of the large strategic sites that sits within both LB Hackney and LB Tower Hamlets' area. Further to this we note that the Lewisham CIL Examiner took an entirely different approach to the LB Tower Hamlets CIL Examiner in assessing the viability of large strategic sites in Lewisham, which can be summarised as follows: *'There is evidence before me that CIL will make an already unviable*



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*scheme slightly more unviable. However, no one has put evidence before me that viability will deteriorate to such a degree that the deliverability of the scheme is threatened.*' (See para 40 of the LB Lewisham Draft CIL Examiner's Report). In addition to this we would highlight that the LB Tower Hamlets CIL Examiner adopts an inconsistent approach within his report as he clearly identifies at para 14 that, *'if a development is not viable even without CIL it is unlikely that it would come forward.'* In BNP Paribas Real Estate's opinion the LB Tower Hamlets' Examiner has failed to draw a distinction between making a scheme that is already unviable slightly more unviable, and worsening viability to such an extent that it will not come forward.

**2.5 Three way trade off/affordable housing**

BNP Paribas Real Estate would like to clarify and confirm that the rates set are based on policy compliant levels of affordable housing having been tested as set out in the Viability study. We are pleased to note that Savills have now recognised this at para 1.18 of their latest representations to the Round 3 Consultation on the CIL DCS.

Our previous comments merely seek to address concerns that CIL will have an impact on the delivery of affordable housing. Our comment identified that in cases where sites are unviable with a policy compliant level of affordable housing, the setting of a nil CIL rate would not ensure the delivery of the full policy requirement for affordable housing, much like even if no S106 contributions were sought currently on site it would not be possible to achieve a full policy compliant level of affordable housing on all sites. This is not a new issue, the Council have been and will continue to have to balance the requirements of their policies when determining planning application i.e. taking a holistic approach to assessing applications. Our comments merely served to demonstrate that affordable housing has a more significant impact on viability than the proposed CIL charge. We would like to clarify that delivery of infrastructure to support growth also forms a crucial part of the Local Plan and in this regard the Council's seeking to set a CIL to raise money to fund part of this infrastructure is appropriate and reasonable, particularly given that as of April 2015 the scope for the Council to seek contributions will be scaled back to site specific mitigation measures only.

**2.6 Viability buffer**

The Council has reached their proposed rates as set out in the DCS based on their viability and infrastructure evidence prepared to support the CIL Charging Schedule as well as their working knowledge of the development expected to come forward across their area during the life of a charging schedule, which will meet the growth envisaged by their Local Plan. This ensures that the rates 'will contribute towards the implementation of the relevant Plan' (CIL Guidance Paragraph: 018 Reference ID: 25-018-20140612).

It should be noted that the CIL regulations and guidance do not prescribe a percentage buffer, this is entirely a matter for the Charging Authority's judgement. The CIL Guidance simply identifies that, 'A charging authority's proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence. For example, this might not be appropriate if the evidence pointed to setting a charge right at the margins of viability. There is room for some pragmatism. It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust'.

We set out further commentary on the setting of CIL rates at paras 6.3 and 6.4 of our CIL Viability Report. We also identify at para 3.3 of our Viability Addendum Note (July 2014) that other authorities have set their rates at a discount buffer) to the maximum rate, with discounts ranging from circa 20% to 50%. With this in mind we recommended that the Council set their rates at a discount of circa 30% to the maximum.



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In adopting a more simplified approach to a charging schedule the Council has chosen to combine, market areas to form three charging zones across its area. This results in differing buffers being adopted. These are all above 30% with the exception on the Thorpe Bay market area, which at 25% is still within a reasonable buffer range. The Council considers the merging of market areas 7 and 8 to be a reasonable approach to setting rates on the basis that there is only a small amount of development expected to come forward from the Thorpe Bay area and in this regard a slightly lower buffer is considered highlight unlikely to have an impact on the delivery of the growth envisaged by the Local Plan’s over the life of a charging schedule.

**Table 2.5.1 Table demonstrating buffers adopted**

Market Areas	Maximum CIL indicated by appraisals (£s per sqm)	CIL after buffer (£s per sqm)	DCS Proposed CIL rates (£ per sq m)	Buffer adopted from Max rate
1 - North central area, Airport, Westborough, Victoria and Prittlewell	N/A	Nominal rate of around £20	£20	N/A
2 - Southchurch	N/A	Nominal rate of around £20	£20	N/A
3 - Mid central area	N/A	Nominal rate of around £20	£20	N/A
4 - Shoeburyness	£30	£21	£20	33%
5 - Eastwood, Belfairs and Blenheim	£30	£21	£20	33%
6 - South central area (below railway)	£50	£35	£30	40%
7 - Thorpe Bay	£80	£56	£60	25%
8 - Leigh-on-Sea and Chalkwell	£100	£70	£60	40%

We would highlight that the viability testing does not identify that development would ‘be rendered unviable by the proposed CIL rates and that limited viability buffer has been applied’, as clarified by Savills. As set out above the Council have adopted at least a 25% buffer and in most cases significantly more. This is consistent with the approach taken by other charging authorities in setting their rates. Further the schemes identified as not viable are unviable prior to the setting of a CIL charge and it is not CIL that is making the schemes unviable, rather that the schemes are unviable regardless of CIL.



**BNP PARIBAS  
REAL ESTATE**

**Responses to Representations to:  
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**Appendix 1 – Retail Appraisals**

## COMMUNITY INFRASTRUCTURE LEVY Commercial Development

Use class:	Convenience Retail and Retail Warehousing
Location:	Whole of Borough (279 sq m) - Lower covenant strength

	£s per sqft	Yield	Rent free
Appraisal 1	£17.00	8.00%	2.00 years
Appraisal 2	£18.00	8.00%	2.00 years
Appraisal 3	£19.00	8.00%	2.00 years
Appraisal 4	£20.00	8.25%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£20.00</b>	<b>8.00%</b>	<b>2.00 years</b>
Appraisal 6	£20.00	7.75%	2.00 years
Appraisal 7	£21.00	8.00%	2.00 years
Appraisal 8	£22.00	8.00%	2.00 years
Appraisal 9	£23.00	8.00%	2.00 years
Appraisal 10	£24.00	8.00%	2.00 years

Existing floorspace as % of new
50%

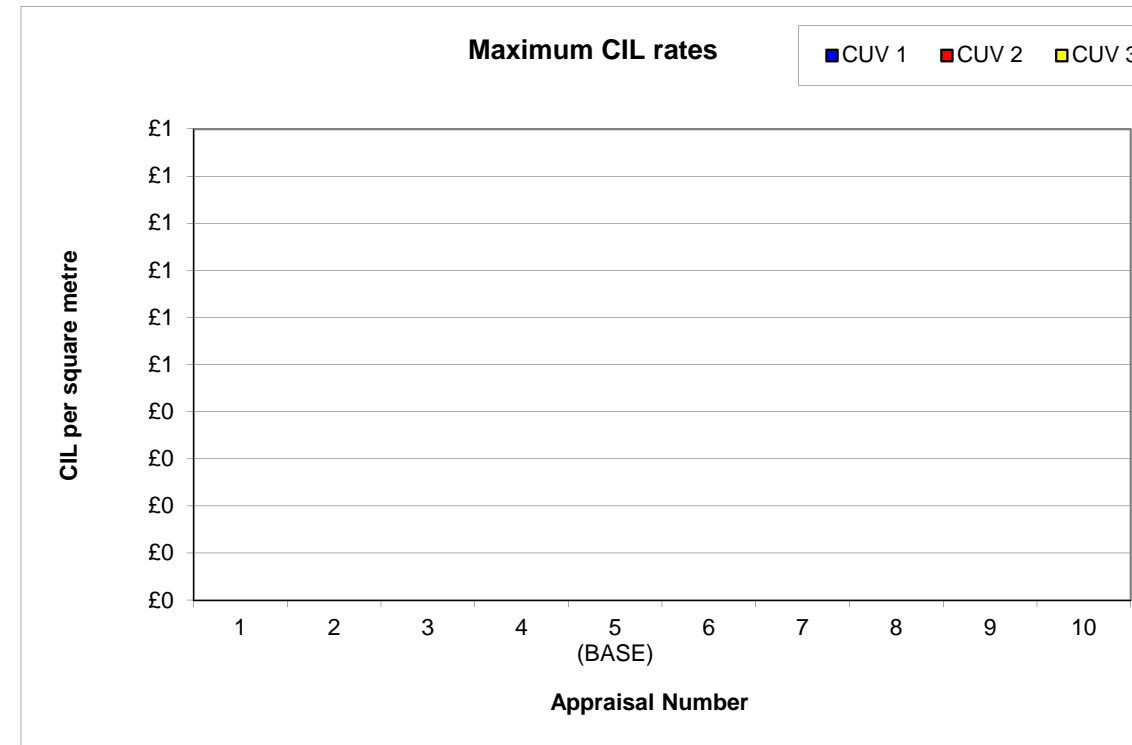
Net off existing floorspace from CIL calculation:

Ctrl + y to goal seek max CIL

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£5.00	9.00%	3.00 years	15.00%
Current use value 2	£7.50	8.00%	3.00 years	20.00%
Current use value 3	£10.00	8.00%	3.00 years	20.00%

### Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-18%	£0	£0	£0
Appraisal 2	-11%	£0	£0	£0
Appraisal 3	-5%	£0	£0	£0
Appraisal 4	0%	£0	£0	£0
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
Appraisal 6	0%	£0	£0	£0
Appraisal 7	5%	£0	£0	£0
Appraisal 8	9%	£0	£0	£0
Appraisal 9	13%	£0	£0	£0
Appraisal 10	17%	£0	£0	£0







**CURRENT USE VALUE**  
**Commercial Development**

Use class: Convenience Retail and Retail Warehousing

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>							
Existing space as percentage of new	50%	1,502					
Rent per sq ft		£5 psf		£8 psf		£10 psf	
Rental income per annum		£7,508		£11,262		£15,016	
Rent free/voids (years)		3.0	0.7722	3.0	0.7938	3.0	0.7938
Total revenue, capitalised (including all costs)		9.00%		8.00%		8.00%	
Refurbishment costs	£25 psf	£37,539		£37,539		£37,539	
Fees	7%	£2,628		£2,628		£2,628	
Capitalised rent, net of refurb and fees			£24,249		£71,583		£108,833
Purchaser's costs	5.75%						
<b>Current use value</b>			<b>£24,249</b>		<b>£71,583</b>		<b>£108,833</b>
<b>CUV including Landowner premium</b>		15%	£27,886	20.00%	£85,899	20.00%	£130,600

## COMMUNITY INFRASTRUCTURE LEVY Commercial Development

Use class:	Convenience Retail and Retail Warehousing
Location:	Whole of Borough (279 sq m) - Higher covenant strength

	£s per sqft	Yield	Rent free
Appraisal 1	£17.00	5.50%	2.00 years
Appraisal 2	£18.00	5.50%	2.00 years
Appraisal 3	£19.00	5.50%	2.00 years
Appraisal 4	£20.00	5.75%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£20.00</b>	<b>5.50%</b>	<b>2.00 years</b>
Appraisal 6	£20.00	5.25%	2.00 years
Appraisal 7	£21.00	5.50%	2.00 years
Appraisal 8	£22.00	5.50%	2.00 years
Appraisal 9	£23.00	5.50%	2.00 years
Appraisal 10	£24.00	5.50%	2.00 years

Existing floorspace as % of new
50%

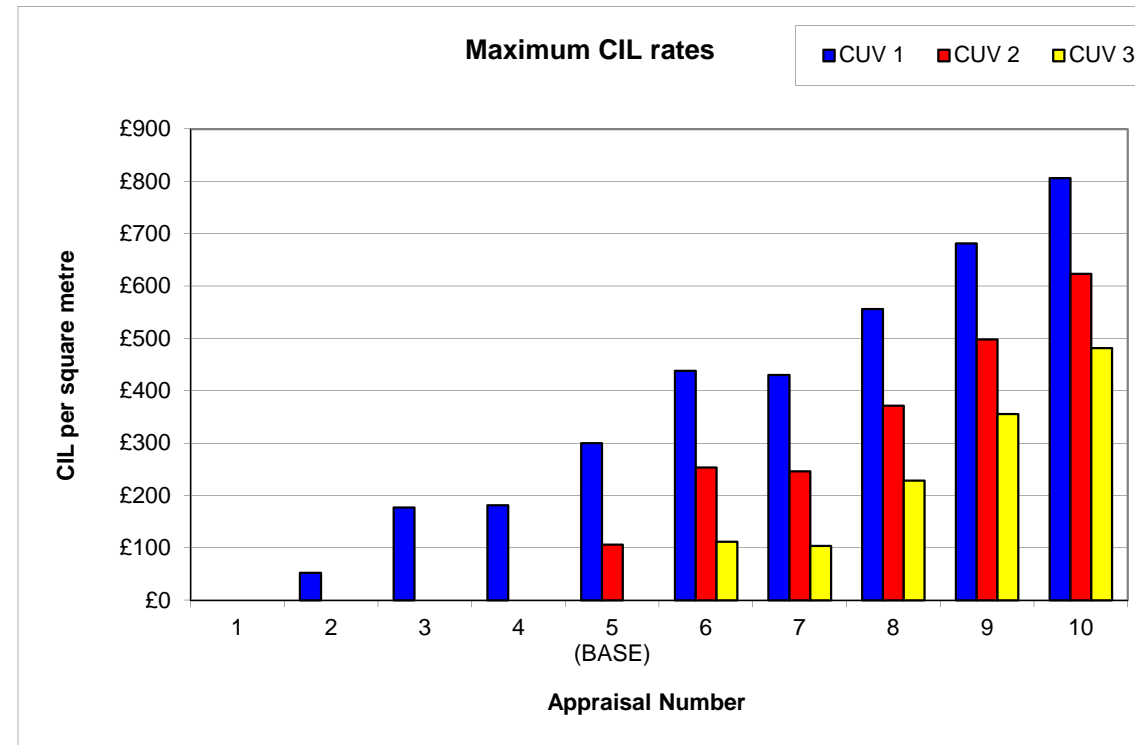
Net off existing floorspace from CIL calculation: n

Ctrl + y to goal seek max CIL

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£5.00	9.00%	3.00 years	15.00%
Current use value 2	£7.50	8.00%	3.00 years	20.00%
Current use value 3	£10.00	8.00%	3.00 years	20.00%

### Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-18%	£0	£0	£0
Appraisal 2	-11%	£52	£0	£0
Appraisal 3	-5%	£177	£0	£0
Appraisal 4	0%	£181	£0	£0
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£300</b>	<b>£106</b>	<b>£0</b>
Appraisal 6	0%	£438	£254	£112
Appraisal 7	5%	£430	£246	£104
Appraisal 8	9%	£556	£371	£229
Appraisal 9	13%	£682	£498	£356
Appraisal 10	17%	£807	£624	£481





**CURRENT USE VALUE**  
**Commercial Development**

Use class: Convenience Retail and Retail Warehousing

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>							
Existing space as percentage of new	50%	1,502					
Rent per sq ft		£5 psf		£8 psf		£10 psf	
Rental income per annum		£7,508		£11,262		£15,016	
Rent free/voids (years)		3.0	0.7722	3.0	0.7938	3.0	0.7938
Total revenue, capitalised (including all costs)		9.00%		8.00%		8.00%	
Refurbishment costs	£25 psf	£37,539		£37,539		£37,539	
Fees	7%	£2,628		£2,628		£2,628	
Capitalised rent, net of refurb and fees			£24,249		£71,583		£108,833
Purchaser's costs	5.75%						
<b>Current use value</b>			<b>£24,249</b>		<b>£71,583</b>		<b>£108,833</b>
<b>CUV including Landowner premium</b>		15%	£27,886	20.00%	£85,899	20.00%	£130,600

## COMMUNITY INFRASTRUCTURE LEVY Commercial Development

Use class:	Convenience Retail and Retail Warehousing
Location:	Whole of Borough (1,000 sq m)

	£s per sqft	Yield	Rent free
Appraisal 1	£17.00	5.50%	2.00 years
Appraisal 2	£18.00	5.50%	2.00 years
Appraisal 3	£19.00	5.50%	2.00 years
Appraisal 4	£20.00	5.75%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£20.00</b>	<b>5.50%</b>	<b>2.00 years</b>
Appraisal 6	£20.00	5.25%	2.00 years
Appraisal 7	£21.00	5.50%	2.00 years
Appraisal 8	£22.00	5.50%	2.00 years
Appraisal 9	£23.00	5.50%	2.00 years
Appraisal 10	£24.00	5.50%	2.00 years

Existing floorspace as % of new
50%

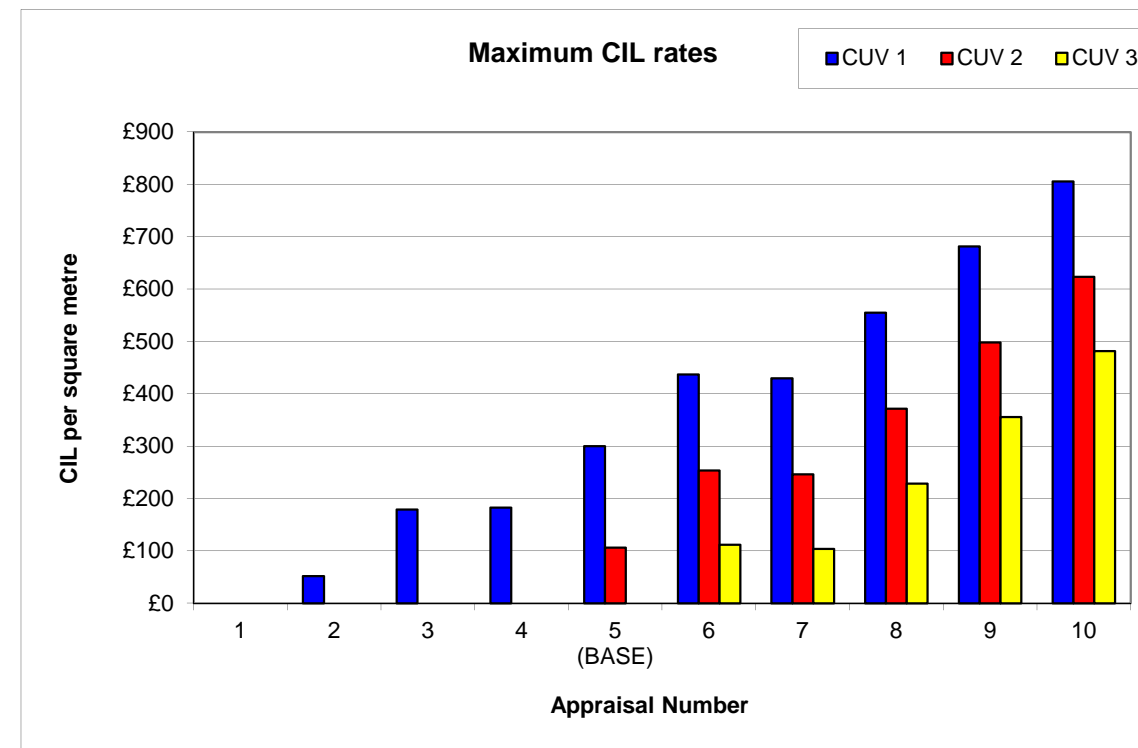
Net off existing floorspace from CIL calculation: n

Ctrl + y to goal seek max CIL

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£5.00	9.00%	3.00 years	15.00%
Current use value 2	£7.50	8.00%	3.00 years	20.00%
Current use value 3	£10.00	8.00%	3.00 years	20.00%

### Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-18%	£0	£0	£0
Appraisal 2	-11%	£52	£0	£0
Appraisal 3	-5%	£179	£0	£0
Appraisal 4	0%	£183	£0	£0
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£300</b>	<b>£106</b>	<b>£0</b>
Appraisal 6	0%	£437	£254	£112
Appraisal 7	5%	£430	£246	£104
Appraisal 8	9%	£555	£371	£229
Appraisal 9	13%	£681	£498	£356
Appraisal 10	17%	£806	£624	£481





**CURRENT USE VALUE**  
**Commercial Development**

Use class: **Convenience Retail and Retail Warehousing**

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>							
Existing space as percentage of new	50%	5,382					
Rent per sq ft		£5 psf		£8 psf		£10 psf	
Rental income per annum		£26,910		£40,365		£53,820	
Rent free/voids (years)		3.0	0.7722	3.0	0.7938	3.0	0.7938
Total revenue, capitalised (including all costs)		9.00%		8.00%		8.00%	
Refurbishment costs	£25 psf	£134,550		£134,550		£134,550	
Fees	7%	£9,419		£9,419		£9,419	
Capitalised rent, net of refurb and fees			£86,914		£256,569		£390,082
Purchaser's costs	5.75%						
<b>Current use value</b>			<b>£86,914</b>		<b>£256,569</b>		<b>£390,082</b>
<b>CUV including Landowner premium</b>		15%	£99,952	20.00%	£307,883	20.00%	£468,099

## COMMUNITY INFRASTRUCTURE LEVY Commercial Development

Use class:	Convenience Retail and Retail Warehousing
Location:	Whole of Borough (5000 sq m)

	£s per sqft	Yield	Rent free
Appraisal 1	£17.00	5.50%	2.00 years
Appraisal 2	£18.00	5.50%	2.00 years
Appraisal 3	£19.00	5.50%	2.00 years
Appraisal 4	£20.00	5.75%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£20.00</b>	<b>5.50%</b>	<b>2.00 years</b>
Appraisal 6	£20.00	5.25%	2.00 years
Appraisal 7	£21.00	5.50%	2.00 years
Appraisal 8	£22.00	5.50%	2.00 years
Appraisal 9	£23.00	5.50%	2.00 years
Appraisal 10	£24.00	5.50%	2.00 years

Existing floorspace as % of new
50%

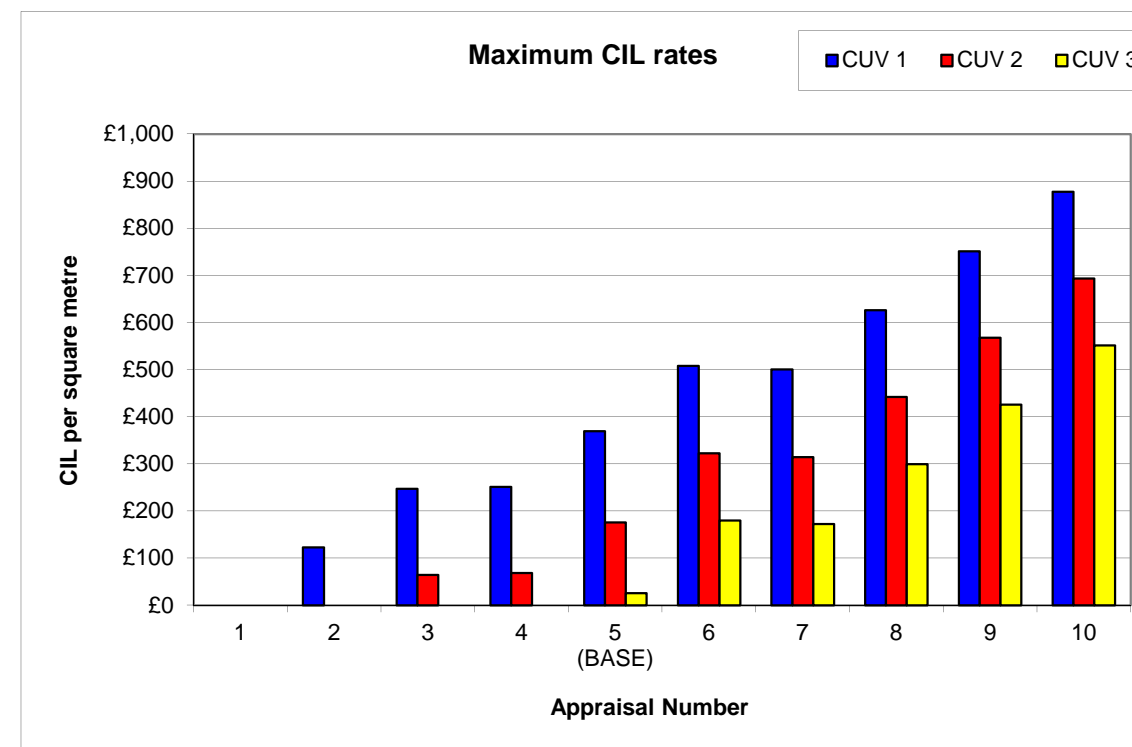
Net off existing floorspace from CIL calculation:

Ctrl + y to goal seek max CIL

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£5.00	9.00%	3.00 years	15.00%
Current use value 2	£7.50	8.00%	3.00 years	20.00%
Current use value 3	£10.00	8.00%	3.00 years	20.00%

### Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-18%	£0	£0	£0
Appraisal 2	-11%	£123	£0	£0
Appraisal 3	-5%	£247	£64	£0
Appraisal 4	0%	£251	£68	£0
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£369</b>	<b>£176</b>	<b>£25</b>
Appraisal 6	0%	£508	£322	£180
Appraisal 7	5%	£500	£315	£172
Appraisal 8	9%	£626	£442	£299
Appraisal 9	13%	£751	£568	£426
Appraisal 10	17%	£878	£693	£551







**CURRENT USE VALUE**  
**Commercial Development**

Use class: Convenience Retail and Retail Warehousing

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>							
Existing space as percentage of new	50%	1,502					
Rent per sq ft		£5 psf		£8 psf		£10 psf	
Rental income per annum		£7,508		£11,262		£15,016	
Rent free/voids (years)		3.0	0.7722	3.0	0.7938	3.0	0.7938
Total revenue, capitalised (including all costs)		9.00%		8.00%		8.00%	
Refurbishment costs	£25 psf	£37,539		£37,539		£37,539	
Fees	7%	£2,628		£2,628		£2,628	
Capitalised rent, net of refurb and fees			£24,249		£71,583		£108,833
Purchaser's costs	5.75%						
<b>Current use value</b>			<b>£24,249</b>		<b>£71,583</b>		<b>£108,833</b>
<b>CUV including Landowner premium</b>		15%	£27,886	20.00%	£85,899	20.00%	£130,600



**BNP PARIBAS  
REAL ESTATE**

**Responses to Representations to:  
Southend-on-Sea's Draft Charging Schedule (DCS) Consultation December 2014  
and CIL Round 3 Consultation on Section 3 and 6 of the DCS February 2015**

**Appendix 2 – Residential sales values and BCIS build costs**



**Responses to Representations to:  
Southend-on-Sea's Draft Charging Schedule (DCS) Consultation December 2014  
and CIL Round 3 Consultation on Section 3 and 6 of the DCS February 2015**

**Land Registry Data February 2015**

<b>Date</b>	<b>Index</b>	<b>% change</b>	<b>Average price (all)</b>
Jan-13	295.78	0.00%	£150,959
Feb-13	293.55	-0.75%	£149,822
Mar-13	289.72	-2.05%	£147,867
Apr-13	290.12	-1.91%	£148,071
May-13	293.28	-0.85%	£149,686
Jun-13	294.6	-0.40%	£150,358
Jul-13	300.39	1.56%	£153,313
Aug-13	300.07	1.45%	£153,151
Sep-13	300.67	1.65%	£153,459
Oct-13	301.92	2.08%	£154,093
Nov-13	302.26	2.19%	£154,267
Dec-13	304.71	3.02%	£155,517
Jan-14	306.64	3.67%	£156,505
Feb-14	308.22	4.21%	£157,310
Mar-14	307.72	4.04%	£157,054
Apr-14	309.49	4.64%	£157,960
May-14	308.91	4.44%	£157,663
Jun-14	314.05	6.18%	£160,284
Jul-14	319.6	8.05%	£163,119
Aug-14	321.01	8.53%	£163,835
Sep-14	325.73	10.13%	£166,245
Oct-14	328.69	11.13%	£167,758
Nov-14	328.33	11.00%	£167,572
Dec-14	332.46	<b>12.40%</b>	£169,683



**Responses to Representations to:  
Southend-on-Sea's Draft Charging Schedule (DCS) Consultation December 2014  
and CIL Round 3 Consultation on Section 3 and 6 of the DCS February 2015**

**BCIS General Building Cost Index**

**Base date: 1985 mean = 100 |  
Updated: 24-Dec-2012 | #1111**

<b>Date</b>	<b>Index</b>
Jan-13	313.8
Feb-13	314.8
Mar-13	315.4
Apr-13	316.9
May-13	317.7
Jun-13	317.6
Jul-13	317.7
Aug-13	318.0
Sep-13	318.2
Oct-13	318.7
Nov-13	318.9
Dec-13	319.1
Jan-14	322.1
Feb-14	323.1
Mar-14	323.7
Apr-14	325.1
May-14	326.1
Jun-14	326.0
Jul-14	326.0
Aug-14	326.4
Sep-14	326.5
Oct-14	327.2
Nov-14	327.4
Dec-14	327.5
<b>Change</b>	<b>4.37%</b>



**Responses to Representations to:  
Southend-on-Sea's Draft Charging Schedule (DCS) Consultation December 2014  
and CIL Round 3 Consultation on Section 3 and 6 of the DCS February 2015**

**BCIS All-in TPI**

**Base date: 1985 mean = 100 | Updated: 06-Feb-2015 | #101**

<b>Date</b>	<b>Index</b>
1Q 2013	234
2Q 2013	236
3Q 2013	234
4Q 2013	237
1Q 2014	241
2Q 2014	251
3Q 2014	251
4Q 2014	255
<b>Change</b>	<b>8.97%</b>

