



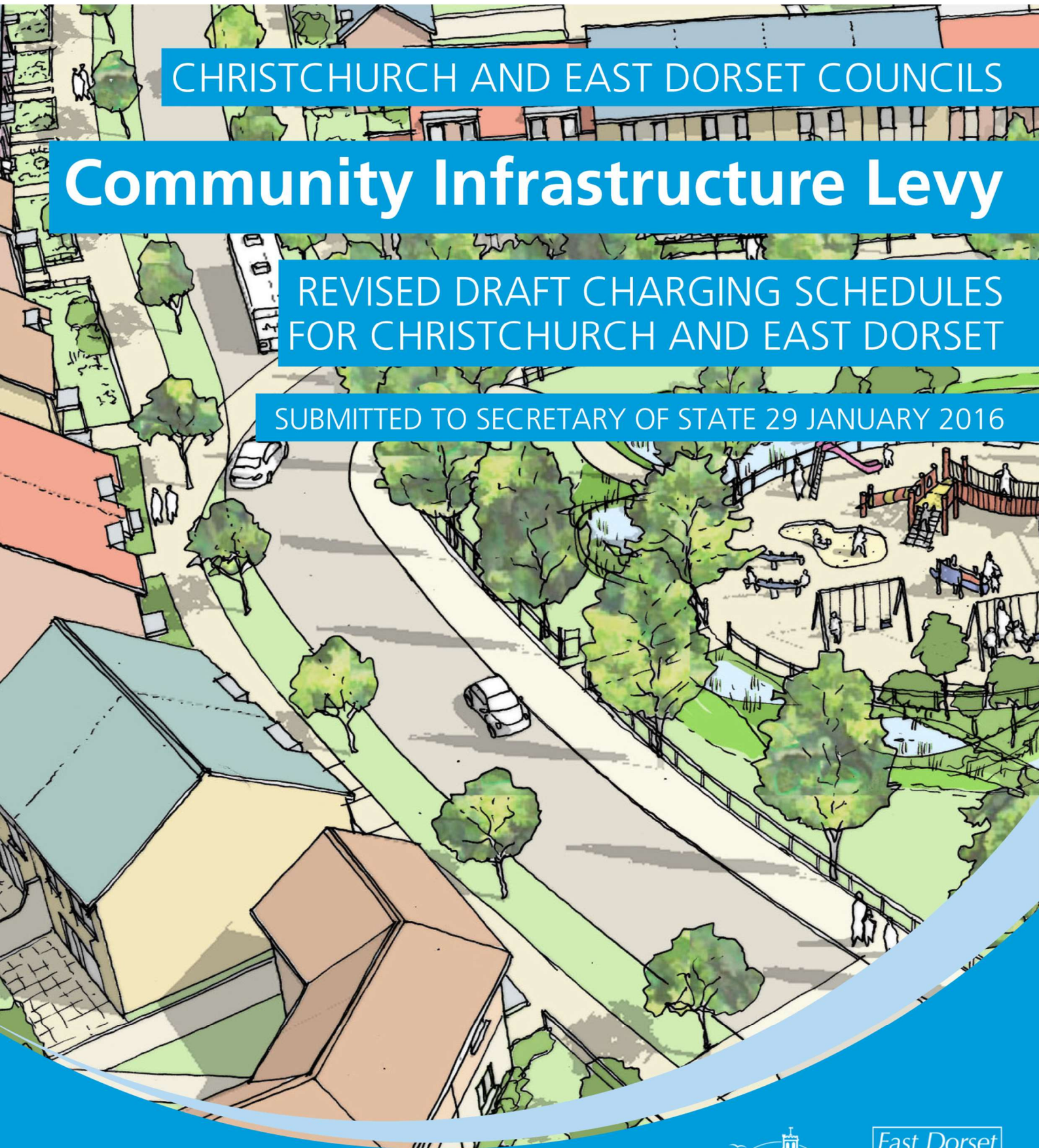
Christchurch and East Dorset Councils
delivering services together

CHRISTCHURCH AND EAST DORSET COUNCILS

Community Infrastructure Levy

REVISED DRAFT CHARGING SCHEDULES
FOR CHRISTCHURCH AND EAST DORSET

SUBMITTED TO SECRETARY OF STATE 29 JANUARY 2016



January 2016
www.dorsetforyou.com



| | | |
|----------|--|-----------|
| 1 | Introduction | 1 |
| 2 | The General Principles of CIL | 5 |
| 3 | Spending CIL Revenue | 10 |
| 4 | CIL Viability Assessment | 12 |
| 5 | The Charging Schedules | 15 |
| 6 | Monitoring and Review | 23 |

1 Introduction

1.1 This document sets out the evidence for a Partial Review of the Community Infrastructure Levy (CIL) the Charging Schedules for Christchurch Borough Council and East Dorset District Council. Part 11 of the Planning Act 2008 introduced powers for local authorities to introduce the Community Infrastructure Levy in their areas. This document has been prepared in accordance with the Planning Act and Regulation 15 16 of the Community Infrastructure Levy Regulations 2010 (as amended by the Community Infrastructure Levy (Amendment) Regulations 2011, 2012, 2013, 2014 and 2015). The Councils were due to adopt their individual CIL Charging Schedules in September 2015 following receipt of the Examiner's report on the Community Infrastructure Levy Draft Charging Schedules on the 10th July 2015. The report recommended that the Draft Charging Schedules for Christchurch and East Dorset (as modified through the Statement of Modifications 5th December 2014, Statement of Further Modifications 23rd January 2015 and Statement of Modifications Arising from the Examination of the Draft Charging Schedules 23rd March 2015) be approved without changes. However, due to the decision in the High Court (Reading and West Berkshire Councils, 31st July 2015) which quashed the Ministerial Statement and National Planning Practice Guidance regarding the threshold of 10 for affordable housing and tariff style contributions, the Councils need to undertake a Partial Review of the Charging Rates for residential development of less than 40 dwellings which do not provide an on-site SANG. The Councils do not intend to amend any other of the rates set out in the Charging Schedules which was found sound by the Examiner in July 2015.

The purpose of this document is to set out the following:

- **The General Principles of CIL**
 - What is CIL?
 - Development Liable for CIL
 - Charging Authorities / Striking the Appropriate Balance
 - Mandatory Relief from CIL
 - Discretionary Relief from CIL
 - The Relationship between CIL & Planning Obligations
 - Payment of CIL / Payment in Kind
 - Spending CIL Revenue
- **The Evidence Base**
 - Summary of evidence that has informed the CIL rates
- **The Christchurch and East Dorset Charging Schedules**
 - The CIL rates and the charging area
- **Monitoring and Review of CIL**

1.2 Alongside the Charging Schedules, the Councils have also produced the following documents, which are available to view on the Councils' website at www.dorsetforyou.com/407160 . These documents do not form part of this Review process.

Regulation 123 List

1.3 Regulation 123 of the CIL Regulations provides for charging authorities to set out a list of those projects or types of infrastructure that are intended to be funded through the levy. The Councils' Regulation 123 list also sets out how Section 106 planning obligations and S278 highway agreements will be used alongside CIL in accordance with the CIL Regulations.

The Councils' CIL Instalments Policy

1.4 Christchurch and East Dorset Councils have opted to prepare a draft CIL Instalments Policy in accordance with Regulation 69B of the 2010 CIL Regulations (as amended).

The CIL Target & Funding Gap

1.5 The total cost of infrastructure to be funded in whole or in part by CIL and the total size of the infrastructure funding gap.

The Timetable for Introducing CIL

| <u>Consultation Stage</u> | <u>Date</u> |
|--|--|
| <u>1. Consultation on Revised Preliminary Draft Charging Schedules</u> | <u>11th September to 9th October 2015</u> |
| <u>2. Consultation on Revised Draft Charging Schedules</u> | <u>November - December 2015 4 December 2015 to 8 January 2016</u> |
| <u>3. Submission of Revised Draft Charging Schedules for Examination</u> | <u>January 2016</u> |
| <u>4. Examination in Public</u> | <u>March 2016</u> |
| <u>5. Adoption of CIL</u> | <u>May 2016</u> |

Preliminary Revised Draft Charging Schedules for Consultation

1.6 This is the second of two consultations for this partial review of the Charging Schedules; the first was the Revised Preliminary Draft Charging Schedules undertaken in September 2015. Responses and analysis to that first consultation are contained in the 'Responses to the Revised Preliminary Draft Charging Schedules' document.

1.7 In accordance with Regulation 4516 of the Community Infrastructure Levy Regulations 2010 (as amended), the Councils are now publishing their preliminary Revised Draft Charging Schedules for consultation. This document is based on the Councils Charging Schedules which had been considered at the Examination in the

spring of 2015. Amendments are set out by way of bold strikethrough for deletions and bold underlined for text insertions. Added to these are those changes made as a result of the Preliminary Draft Charging consultation, which have an additional light red highlight. A separate Schedule of Amendments has been produced setting out the Councils' proposed changes. The Councils will only accept responses in relation to the changes set out in this document.

1.8 The CIL preliminary Revised Draft Charging Schedules and all supporting documentation is available on the Councils' website www.dorsetforyou.com/407160

1.9 Hard copies of the documents will also be made available at Council libraries and the main council offices as set out below:

Christchurch Borough Council, Civic Offices, Bridge Street, Christchurch, BH23 1AZ

- (Mon –Thurs 8.45am – 5.15pm and Fri 8.45am – 4.45pm)

Christchurch Information Centre, 49 High Street, Christchurch, BH23 1AS

- (Mon – Fri 9.30am – 5pm, Sat 9am – 5pm)

~~Steamer Point Information Centre, Off Penny Way, Steamer Point, Highcliffe:~~

- ~~(Mon – Sun 9am – 5pm)~~

East Dorset District Council, Council Offices, Furzehill, Wimborne, BH21 4HN

- (Mon – Thur. 8.45am – 5.15pm and Fri 8.45am – 4.45pm)

Ferndown Town Council, The Barrington Centre, Penny's Walk, Ferndown, BH22 9TH

- (Mon – Thu 9am – 4pm, Fri 9am – 3.30pm) (Mon – Fri 10am to 2pm - until further notice due to staff shortages)

Verwood Town Council, Council Offices, 28 Vicarage Road, Verwood, BH31 6DW

- (Mon – Fri 9am – 1pm)

Wimborne Town Council, The Town Hall, 37 West Borough, Wimborne, BH21 1LT

- (Mon – Fri 9am – 1pm)

West Moors Parish Council, 4 Park Way, West Moors, BH22 0HL

- (Mon, Tues, Thurs & Fri 10am – 1pm)

Corfe Mullen Parish Council, Council Office, Towers Way, Corfe Mullen, BH21 3UA

- (Mon – Fri 9am – 2pm)

East Dorset Heritage Trust, Allendale House, Hanham Road, Wimborne, BH21 1AS

- (Mon – Fri 9.30am – 5pm)

All public libraries throughout Christchurch and East Dorset during their normal opening times.

Your views

1.10 We would like your comments on the amendments proposed in this Partial Review of the Councils' Charging Schedules by ~~5pm on Friday 9th October 2015~~ the end of Friday 8th January 2016. By referring to the reference numbers in the Schedule of Amendments document, these can be made by the following methods:

- Email - Responses can be made via email to the following address: planningpolicy@christchurchandeastdorset.gov.uk
- By Post - Planning Policy, East Dorset District Council, Furzehill, Wimborne, Dorset, BH21 4HN. Planning Policy, Christchurch Borough Council, Civic Offices, Bridge Street, Christchurch, Dorset, BH23 1AZ.
- Online - www.dorsetforyou.com/407160

1.11 Any person who makes representations on the Revised Draft Charging Schedules in accordance with the Statement of Representations procedure may request the 'right to be heard' at the examination. This request should be submitted in writing before the end of this consultation, by the end of Friday 8th January 2016. Representations may also be accompanied by a request to be notified, at a specified address, of any of the following:

- **That the Revised Draft Charging Schedules have been submitted to the examiner in accordance with Section 212 of the Planning Act 2008;**
- **The publication of the recommendations of the examiner and the reasons for those recommendations;**
- **The approval of the CIL Charging Schedules by the Councils**

Next Steps

1.12 The CIL Regulations require that any representations made during the consultation period for the Revised Draft Charging Schedules must be submitted to the examiner alongside a summary of the main issues raised. Prior to submission of the Revised Draft Charging Schedules for examination the CIL Regulations allow for the Councils to make amendments to the schedules in response to this consultation. Should the Councils make any amendments to the CIL schedules prior to submission, the CIL Regulations require that these are set out in a Statement of Modifications, which must be sent to all those invited to make representations.

1.13 Following production of a Statement of Modifications, any person may then also request the right to be heard by the examiner in relation to these modifications. Requests must be submitted to the Council in writing before the end of the period of four weeks beginning the day on which the Draft Charging Schedules are submitted to the examiner in accordance with CIL Regulation 19(1). This should include reference to which modifications a person wishes to be heard on.

2 The General Principles of CIL

What is CIL?

2.1 The Community Infrastructure Levy was introduced in the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011) and defined in the CIL regulations 2010 (as amended by the CIL (Amendment) Regulations 2011, 2012, 2013 ~~and 2014~~ , **2014 and 2015**). This legislation also restricts the use of Section 106 agreements.

2.2 CIL is a locally set charge on development that authorities can choose to introduce on new developments in their area. The funds are then used to provide infrastructure which is required to support new development in the area.

2.3 The CIL rate is expressed as pounds per square metre and is levied on the gross internal floorspace of the net liable development.

Types of Development Liable for CIL

2.4 The following development types are in principle liable for CIL:

1. Development which creates net additional floor space where the gross internal floor area exceeds 100sqm
2. Development of less than 100 sq.m of new build floorspace that results in the creation of one or more dwellings
3. The conversion of a building that is no longer in lawful use. An 'in use' building as defined in the CIL Amendment Regulations 2014 means a building which:
 1. Is a 'relevant building' (a building which is situated on the relevant land on the day planning permission first permits the chargeable development);
 2. Contains a part that has been in lawful use for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development
4. Liability to pay CIL for qualifying development applies whether planning permission is required or if development is allowed through permitted development orders (General Permitted Development Order, Local Development Orders, neighbourhood Development Orders, Enterprise Zones) (Regulations 5 and 9 of the Community Infrastructure Levy Regulations 2010 as amended in 2011, 2012, 2013 ~~and 2014~~ , **2014 and 2015**).

Charging Authorities

2.5 Christchurch Borough Council and East Dorset District Council are the charging authorities for development within their areas for the purpose of Part 11 of the Planning Act 2008 and CIL Regulations 2010 as amended in 2011, 2012, 2013 ~~and 2014~~ , **2014 and 2015**. Each authority is also a collecting authority and as such, a Charging Schedule has been prepared for each Council.

Striking the Appropriate Balance

2.6 Christchurch and East Dorset Councils have complied with the regulations under the Planning Act 2008 and CIL Regulations in determining the CIL rate.

2.7 In complying with Regulation 14.1 of the 2010 Regulations (as amended) the Councils have prepared viability evidence to consider the appropriate balance between –

1. the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other and expected sources of funding; and
2. the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

2.8 The term, ‘taken as a whole’, means that CIL rates can be borne by most development in the Borough and District. It does not imply that CIL rates can be borne by every development. This document provides a summary of the evidence that has been considered in determining the CIL rates.

Mandatory Relief from CIL

2.9 The CIL Regulations confirm that the following types of development are exempt from CIL:

1. Development of less than 100 square metres unless this creates a new dwelling.
2. Development by registered charities for the delivery of their charitable purposes.
3. Those parts of a development which are to be used as social housing and qualifying communal development.
4. The conversion of any building previously used as a dwelling to two or more dwellings providing there is no increase in floor area.
5. Buildings into which people do not normally go, buildings which people only enter intermittently for the purposes of inspection or maintenance and structures which are not buildings such as pylons.
6. Structures which are not buildings, such as pylons and wind turbines.
7. Changes of use which do not involve an increase in floorspace.
8. The development is a residential annex or a residential extension.
9. The development comprises self-build housing or self-build communal development.
10. Vacant buildings brought back into the same use.

2.10 In the case of new development which involves the extension or demolition of a building in lawful use, the level of CIL payable will be calculated on the net increase in floor area.

Discretionary Relief from CIL

2.11 The CIL Regulations make provision for local authorities to provide discretionary relief for charitable investment. To be considered for relief, the whole or greater part of the chargeable development must be held as an investment from which the profits will be applied

for charitable purposes. It is not proposed to make relief available for charitable investment as the circumstances where such development would come forward in Christchurch and East Dorset are rare.

2.12 Regulation 49A of the 2014 CIL amendment regulations introduces a new discretionary social housing relief for certain discount market housing. For the purposes of this regulation a qualifying dwelling must meet the following criteria:

- The dwelling is sold for no more than 80% of its market value (where the market value at any time is the price which the dwelling might reasonably be expected to fetch if sold at the time on the open market);
- The dwelling is sold in accordance with any policy published by the charging authority under regulation 49B(1)(a)(iii); and
- The liability to pay CIL in relation to the dwelling remains with the qualifying person granted discretionary social housing relief.

2.13 Christchurch and East Dorset Councils do not offer discretionary social housing relief for this form of development, as defined in Regulation 49A. Firstly, it is anticipated to be a very small proportion of development coming forward in Christchurch and East Dorset and secondly this type of intermediate housing has formed part of the CIL viability testing in line with the Core Strategy policy requirement for affordable housing. From this testing it is concluded that there is not an issue of viability which would prevent this type of development from paying CIL if the Core Strategy policy is followed.

2.14 Discretionary relief is also available, in specific circumstances, for development which can demonstrate exceptional circumstances (as defined in CIL Regulation 55). Exceptional circumstances relief can only be given where the following eligibility criteria are fulfilled:

1. The charging authority (In this case the charging authorities are Christchurch Borough Council and East Dorset District Council) has made exceptional circumstances available in its area;
2. The claimant owns a material interest in the land;
3. A Section 106 Planning Obligation has been entered into in respect of the planning permission which permits the chargeable development; and
4. The charging authority considers that:
 - Requiring payment of the charge would have an unacceptable impact on the economic viability of the chargeable development; and
 - Granting relief would not constitute a notifiable state aid.

2.15 Christchurch and East Dorset Councils do not make discretionary relief available for exceptional circumstances which is consistent with the conclusions of the viability assessment undertaken by Peter Brett Associates which has informed the CIL schedules. The Councils believe the charges set are viable and they will monitor the charge to ensure it remains viable. Should circumstances change, the Councils will seek to review and revise the levy.

The Relationship Between CIL and Other Planning Obligations

2.16 CIL is intended to provide infrastructure to support the development of the area. Consequently, there may still be some site specific requirements without which planning permission should not be granted. Some of these needs may be provided as a result of the levy but some may be very local. The use of planning obligations has therefore been scaled back by the Government to ensure there is no overlap between Section 106 planning obligations, Section 278 Highway agreements and CIL. S106 agreements and S278 Highway Agreements will still continue to be used to secure site-specific mitigation and affordable housing. A Housing and Affordable Housing SPD has been adopted and operates alongside CIL, providing clarity on how affordable housing will be delivered through the planning process.

2.17 After April 2015, no more than five planning obligations can be pooled by the charging authority to provide for the same item of infrastructure. From April 2015, no more may be collected in respect of a specific infrastructure project or a type of infrastructure through a section 106 agreement, if five or more obligations for that project or type of infrastructure have already been entered into since 6th April 2010, and it is a type of infrastructure that is capable of being funded by the levy. Contributions for highway works that are secured through section 278 of the Highways Act are not subject to the pooling restriction.

2.18 Authorities cannot charge for the same items through S106 planning obligations, S278 Highway agreements and CIL. The Councils have, therefore published a list of infrastructure or types of infrastructure that it is intended will be or may be, wholly or partly funded by CIL and S106 / S278 agreements. This list is required under Regulation 123 of the 2010 CIL Regulations (as amended). This document is not formally part of the Charging Schedules but has been included as Appendix A.

Payment of CIL

2.19 Payment for CIL is due upon commencement of the development. It must be paid in full within the timescales and phased instalments as set out in the Councils' Instalment Policy which is set out in Appendix B.

Calculating the Chargeable Amount

2.20 The Councils will calculate the amount of CIL payable (the chargeable amount) in respect of a chargeable development in accordance with the CIL Regulations 2010 (as amended) in Part 5. The chargeable amount will reflect inflation by using the All-in Tender Price Index supplied by the RICS Building Cost Information Service (Regulation 40). The amount of CIL charged will therefore alter depending on the year planning permission for the chargeable development is first granted.

Payment in Kind

2.21 The 2010 CIL Regulations (as amended) allow charging authorities to accept one or more land or infrastructure payments in satisfaction of the whole or part of the CIL due in respect of a chargeable development. Regulations 73 and 73A (inserted by the 2014

Regulations) set out the circumstances in which this may occur and how it can be done. The Councils may accept payment 'in kind', in lieu of CIL where the Councils consider this to be appropriate.

3 Spending CIL Revenue

Proportion for Administration

3.1 Christchurch Borough Council and East Dorset District Council will retain 5% of the CIL revenue to fund the administration costs of the Levy in accordance with the CIL Regulations. This includes 5% of the value of acquired land and or infrastructure acquired by virtue of land and or infrastructure payment.

Proportion of CIL passed to Parish Councils

3.2 The Government published amended CIL Regulations in April 2013. Regulation 59 states that charging authorities must pass to every local council in its area a proportion of CIL receipts calculated in accordance with the Regulations. Regulation 58A of the CIL (Amendment) Regulations 2013, defines a 'local council' as a parish council.

3.3 Where all or part of the chargeable development is within an area that has a neighbourhood development plan or was granted permission by a neighbourhood development order the charging authority must pass 25 per cent of the relevant CIL receipts to the parish council for that area.

3.4 Where all or part of a chargeable development is not in an area that has a neighbourhood development plan in place and was not granted planning permission by a neighbourhood development order, the charging authority must pass 15 per cent of the relevant CIL receipts to the parish council for that area. In this case, the total amount of CIL receipts passed to the local council is capped at £100 per dwelling in the area of the local council.

3.5 A local council must use CIL receipts passed to it in accordance with the CIL Regulations to support the development of the local council's area, or any part of that area by funding –

1. The provision, improvement, replacement, operation or maintenance of infrastructure; or
2. Anything else that is concerned with addressing the demands that development places on an area.

3.6 Following consultation on this Charging Schedule and prior to the introduction of CIL Christchurch and East Dorset Councils engaged with local parish councils concerning infrastructure priorities for their areas.

The Evidence Base

3.7 The CIL Charging Schedule is required to be informed by an up-to-date development plan, an Infrastructure Delivery Plan and an assessment of the likely impact of CIL on the viability of development in Christchurch and East Dorset.

3.8 The evidence that supports the Councils' Charging Schedules is available on the Councils' website www.dorsetforyou.com/407160.

Christchurch and East Dorset Core Strategy

3.9 The Christchurch and East Dorset Core Strategy provides the development strategy for the two areas to 2028. It sets out policies which guide the sustainable growth of the two areas over this time and allocates sites for residential development and for employment growth. The Core Strategy has been subject to public examination and adopted in April 2014. A wide range of evidence was used in the preparation of the plan and it addresses the key issues faced by the two authorities. This evidence is accessible from the Core Strategy EIP webpage www.dorsetforyou.com/410225.

Infrastructure Delivery Plan

3.10 The Infrastructure Delivery Plan (IDP) accompanies the Core Strategy and sets out the level and types of infrastructure which is required to support the level of growth planned for in the Core Strategy. Consultation on the IDP has taken place alongside the Core Strategy. The IDP will be regularly updated to take into consideration changing needs and priorities over the plan period.

3.11 The Infrastructure Delivery Plan includes information on the costs and available funding for infrastructure projects where the information is available. However, some of the costs are unknown and funding streams for many projects are limited. Some costs are for schemes which cross authority boundaries, so providing a figure for the Borough or District is not feasible at this time.

3.12 The IDP is a joint document for both authorities, but includes separate tables of infrastructure for Christchurch and East Dorset.

Funding Gap / Core Strategy Delivery

3.13 The Councils are required to identify the total cost of infrastructure that is intended to be funded in whole or in part by CIL which is needed to support development in the area. This process considers available funding sources including government funding, S106 agreements and anticipated highway improvement schemes. The Councils are also required to identify the size of its total or aggregate funding gap and this process enables the identification of a CIL infrastructure funding target.

3.14 The IDP shows a significant funding gap for both authorities. Appendix C sets out the infrastructure funding gap and CIL target in relation to the Core Strategy IDP.

3.15 Revenue from CIL is not expected to bridge the funding gap entirely but it will have a significant impact on available finances to enable both Christchurch and East Dorset Councils to bring forward infrastructure in step with planned development as identified in the Core Strategy.

4 CIL Viability Assessment

4.1 Peter Brett Associates were commissioned by Christchurch and East Dorset Councils to undertake a CIL viability assessment for each authority area and recommend CIL charging rates accordingly.

4.2 The Government requires Charging Authorities to use the evidence on the infrastructure requirements and information on economic viability to strike an 'appropriate balance' between the desirability to fund infrastructure using the levy and the potential effects of the levy on the viability of development in their area. The evidence should demonstrate that the proposed CIL rates would not threaten the delivery of the Local Plan as a whole.

4.3 The viability assessment has been prepared and used to demonstrate the potential effects of the levy on the economic viability of development. This has also taken into account the impact of other policy costs including energy requirements, Section 106 contributions (including different percentages of affordable housing provision) and Section 278 Highways agreements. Proposed CIL rates have been based on assessments of viability across the Borough and District. The report prepared by the consultants can be found on the Councils' website www.dorsetforyou.com/407160

4.4 The consultants have tested different development types and sizes (number of residential units) to compare existing use values and residual land values. Evidence was gathered from a variety of sources including approaching local agents and developers for information on property sales and values and using information on costs of development.

4.5 A workshop was held for developers, agents and providers of affordable housing during the preparation of the viability work to seek feedback on the assumptions and findings of the work.

4.6 Following consultation on the **original** Preliminary Draft Charging Schedule (**January 2013**) PBA updated the viability report which was published alongside the Draft Charging Schedule. The updated report incorporated suggestions made by consultees from the preliminary draft consultation stage, and further refinements and updates made by PBA in the course of developing the project.

4.7 The most notable changes in the updated report were as follows:

- Appendix 5 of the report included an assessment of the impact on CIL charging assuming affordable housing provision at 35%.
- On the residential appraisals, improvements were made to the way that interest is calculated, and then to the way that the available developer surplus is applied to chargeable floorspace. This resulted in some decrease in the theoretically available surplus.
- Statements on profit assumptions on residential were clarified. Profit on cost is calculated at 20% which was not clarified in the original PBA viability report.

4.8 Additional viability work was also undertaken by Whiteleaf Consulting (2012) as part of the master planning work for the Christchurch and East Dorset New Neighbourhoods during the preparation of the Core Strategy.

4.9 In East Dorset high level development viability assessments for seven New Neighbourhoods undertaken by Whiteleaf Consulting indicated that at least four sites in the District would be viable at 40% affordable housing and CIL at £100 per square metre. Showing a 'healthy viability buffer' the advice implied that more than 40% affordable housing could be viable on these development sites.

4.10 A further two proposed sites in East Dorset are considered to be 'potentially' viable at 40% but could be vulnerable if costs increased or market conditions worsened. The final site is defined as being 'at risk' of not being viable but strategic suggestions are made as to how viability could be improved.

4.11 In Christchurch the Whiteleaf viability work for the North Christchurch Urban Extension was undertaken prior to the Council's work on CIL. However, the viability work examined the impact of all abnormal costs and S106 contributions (pre CIL). The conclusion of this work was that at c935 dwellings, 35% affordable housing may be achieved in the current economic climate.

4.12 Following consultation on the Draft Charging Schedule PBA further updated the viability report. The viability report addendum incorporates assessment of updated housing values and costs and should be read in conjunction with the East Dorset District Council and Christchurch Borough Council Community Infrastructure Levy Viability Testing Report (June 2013). The updated viability work incorporates assessments of Core Strategy affordable housing policy requirements at 40%. Additional viability work was also undertaken for the Core Strategy strategic sites where SANG and 50% affordable housing was provided to assess their capacity for a CIL charge. PBA also further assessed the viability of Extra Care Housing, Sheltered Housing and Housing for Vulnerable People.

4.13 In response to the Ministerial Statement on 28th November 2014 on revised affordable housing thresholds where affordable housing contribution should not be required on schemes for 10 or less residential units, PBA further updated the viability report. This further addendum to the viability report incorporated re-running development viability appraisals on the assumption that no affordable housing is required from these sites. **Due to the High Court judgement striking down the Ministerial Statement in July 2015, the Councils have reverted to are using the evidence set out in the viability reports in respect of that accompanied the original Draft Charging Schedule (May 2014), as amended by the Statement of Modifications (5 December 2014). However, it is the Government's intention to challenge this decision and the outcome of any challenge or subsequent change to legislation in respect of affordable housing thresholds will have a bearing on the appropriate CIL Charging Rate for small-scale residential developments on sites of 10 units or less or less than 1000sqm floorspace and the Councils have therefore suggested that their Charging Schedules be modified to allow for this possible legislative change. Therefore the later viability report produced by Peter Brett Associates (January 2015) that justifies the relevant charge with the government threshold in place remains valid.**

Viability Conclusions

4.14 The study for both authority areas shows that care homes, residential and convenience retail development is sufficiently viable to pay CIL at the rates set out in the Charging Schedules below. The PBA viability work concluded that with an assumed rate of 40%

affordable housing many development scenarios retain a significant 'buffer'. The analysis shows that, in theory, a CIL charge of £70 per sq m is payable by all developments of more than 10 dwellings. Viability work undertaken by PBA for the Core Strategy strategic sites concludes that with a CIL rate of £0 per sqm and affordable housing rate of up to 50% (up to 35% Christchurch Urban Extension) can be delivered. Further PBA viability work also concluded that a CIL charge of £150 per sqm is payable for all sites of 10 or less units (or less than 1000sqm). The PBA viability work also concluded that Extra Care Housing and Housing for Vulnerable People should be added to the Charging Schedules at a rate of £40 per sqm. It is considered that the affordable housing target set out in Policy KS3 of the Christchurch and East Dorset Local Plan Part 1 - Core Strategy is deliverable during the plan period. **The Councils therefore wish to reserve their position on the CIL Charge for differential scales of residential development pending the outcome of possible national planning policy or guidance changes in respect of affordable housing provision on ~~small scale developments~~ on sites of 10 units or less or less than 1000sqm floorspace.**

4.15 Other forms of development that in principle could pay a CIL charge are set a £0 rate as they are currently unviable with CIL.

5 The Charging Schedules

5.1 Christchurch and East Dorset Councils have worked together on the development of CIL and the preparation of the Charging Schedules. Two charging schedules are set out below, one for each council to reflect the fact that the councils are two charging authorities. This approach takes into consideration the characteristics of each area in determining the proposed CIL rates.

5.2 The tables below set out the proposed CIL rates for different types of development by authority area.

| Christchurch CIL Rate | |
|---|-----------------|
| Development Type | Charge per sq m |
| Residential (more than 10 units) <u>development (other than New Neighbourhoods or sites providing on-site SANG). This rate will also apply on sites of 10 units or less or less than 1000sqm floorspace, subject to the introduction of national legislation or guidance introducing this threshold for affordable housing provision)</u> | £70 |
| Residential <u>on sites of 10 units or less or less than 1000sqm floorspace</u> (10 units or less or less than 1000sqm floorspace) <u>(only applicable if there is a legislative change or change in national guidance requiring no affordable housing provision relating to small-scale schemes where no affordable housing provision is required on sites of 10 units or less or less than 1000sqm floorspace set at a national level).</u> | £150 |
| Residential on the following New Neighbourhood sites (allocated in the Core Strategy) which provide their own Suitable Natural Alternative Green Space (SANG) as mitigation for European sites: <ul style="list-style-type: none"> • Roeshot Hill/Christchurch Urban Extension (CN1) - 950 dwellings • Land South of Burton Village (CN2) - 45 Dwellings | £0 |
| Residential on sites of 40 or more dwellings where on-site SANG is required by the Local Planning Authority | £0 |
| Extra Care Housing and housing for Vulnerable People (developments that comprise self-contained homes with design features and support services available to enable self-care and independent living) | £40 |
| Hotels | £0 |
| Care Homes | £40 |
| Offices | £0 |
| Light Industrial / Warehousing | £0 |
| Convenience Retail | £110 |

| Christchurch CIL Rate | |
|--|-----------------|
| Development Type | Charge per sq m |
| Comparison Retail | £0 |
| Public service and Community Facilities | £0 |
| Standard Charge (all other uses not covered) | £0 |

| East Dorset CIL Rate | |
|---|-----------------|
| Development Type | Charge per sq m |
| Residential (more than 10 units) development <u>(other than New Neighbourhoods or sites providing on-site SANG). This rate will also apply on sites of 10 units or less or less than 1000sqm floorspace, subject to the introduction of national legislation or guidance introducing this threshold for affordable housing provision)</u> | £70 |
| Residential <u>on sites of 10 units or less or less than 1000sqm floorspace (10 units or less or less than 1000sqm floorspace) (only applicable if there is a legislative change or change in national guidance requiring no affordable housing provision relating to small-scale schemes where no affordable housing provision is required on sites of 10 units or less or less than 1000sqm floorspace set at a national level).</u> | £150 |
| Residential on the following New Neighbourhood sites (allocated in the Core Strategy) which provide their own Suitable Alternative Natural Green Space (SANG) as mitigation for European sites <ul style="list-style-type: none"> • Cuthbury Allotments and St Margaret's Hill (WMC5) - 220 dwellings • Cranborne Road, North Wimborne (WMC6) - 600 dwellings • South of Leigh Road (WMC8) - 350 dwellings • Lockyers School and land North of Corfe Mullen (CM1) - 250 dwellings • Holmwood House New Neighbourhood (FWP3) - 150 dwellings (resolution to grant planning permission) • East of New Road, West Parley (FWP6) - 320 dwellings • West of New Road, West Parley (FWP7) - 150 dwellings • North Western Verwood New Neighbourhood (VTSW4) - 230 dwellings • North Eastern Verwood New Neighbourhood (VTSW5) - 65 (resolution to grant planning permission) • Stone Lane, Wimborne (WMC6) - 90 dwellings | £0 |
| Residential on sites of 40 or more dwellings where on-site SANG is required by the Local Planning Authority | £0 |
| Extra Care Housing and Housing for Vulnerable People (developments that comprise self-contained homes with design features and support services available to enable self-care and independent living) | £40 |
| Hotels | £0 |
| Care Homes | £40 |
| Offices | £0 |

| East Dorset CIL Rate | |
|--|-----------------|
| Development Type | Charge per sq m |
| Light Industrial / Warehousing | £0 |
| Convenience Retail | £110 |
| Comparison Retail | £0 |
| Public service and Community Facilities | £0 |
| Standard Charge (all other uses not covered) | £0 |

Definition a Retail Unit for CIL Charging Purposes

5.3 For the purposes of the Christchurch and East Dorset Charging Schedules convenience and comparison floorspace is defined as follows:

5.4 A **convenience unit** is a shop or store where the planning permission allows selling 'wholly or mainly' everyday essential items, including food, drinks, newspapers/magazines and confectionery.

5.5 A **comparison unit** is a shop or store selling 'wholly or mainly' goods which are not everyday essential items. Such items include clothing, footwear, household and recreational goods.

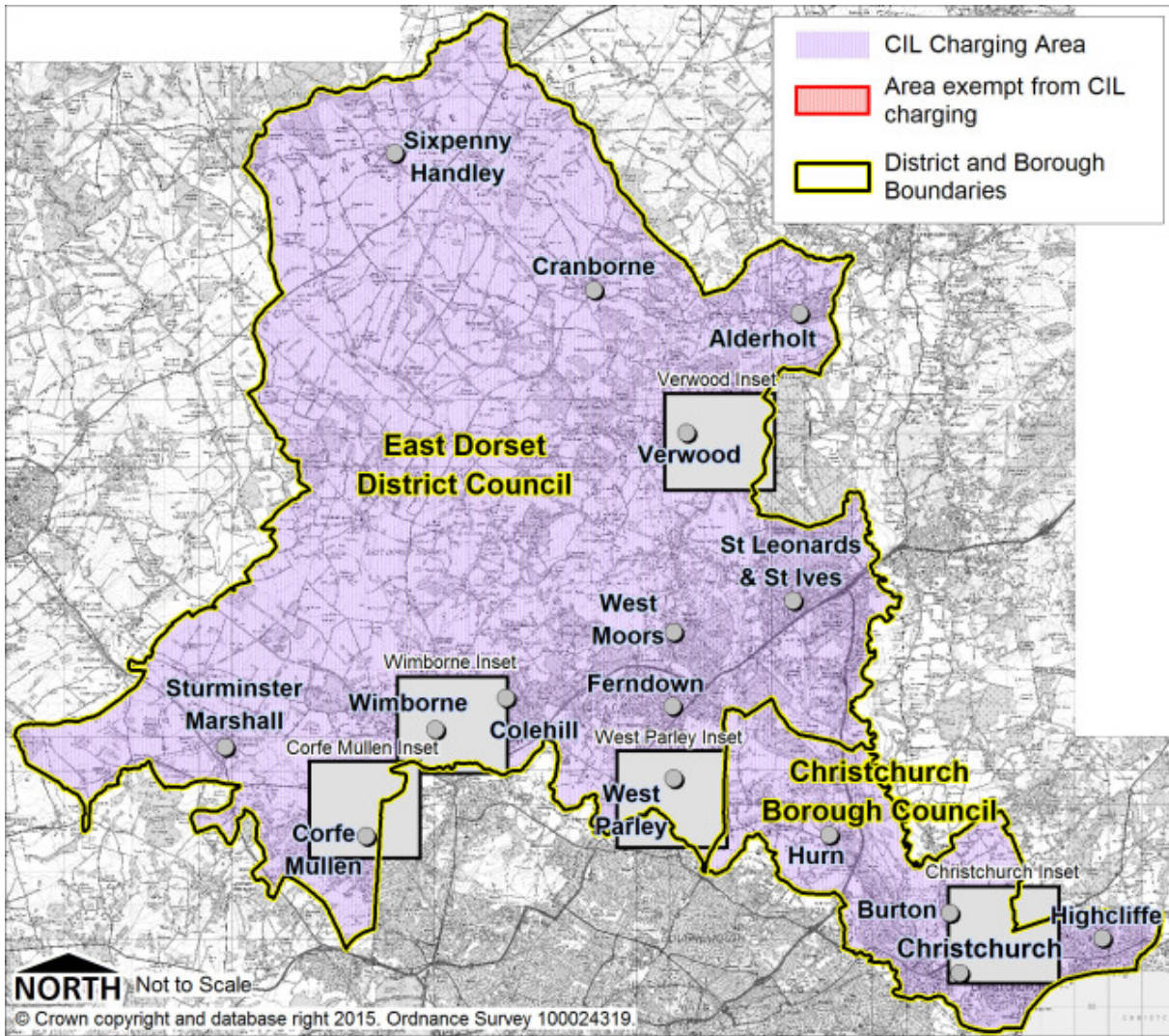
5.6 The convenience and comparison goods definitions set out above reflect the main use which is units or shops selling *mainly* these types of items. The term 'wholly or mainly' has a widely understood legal meaning (effectively more than 50%).

5.7 Where no particular form of retail use is conditioned, the councils will assume that the 'intended use' for CIL charging purposes may encompass "*wholly or mainly*" convenience retail, since this is what the permission would allow, and that CIL will be charged accordingly.

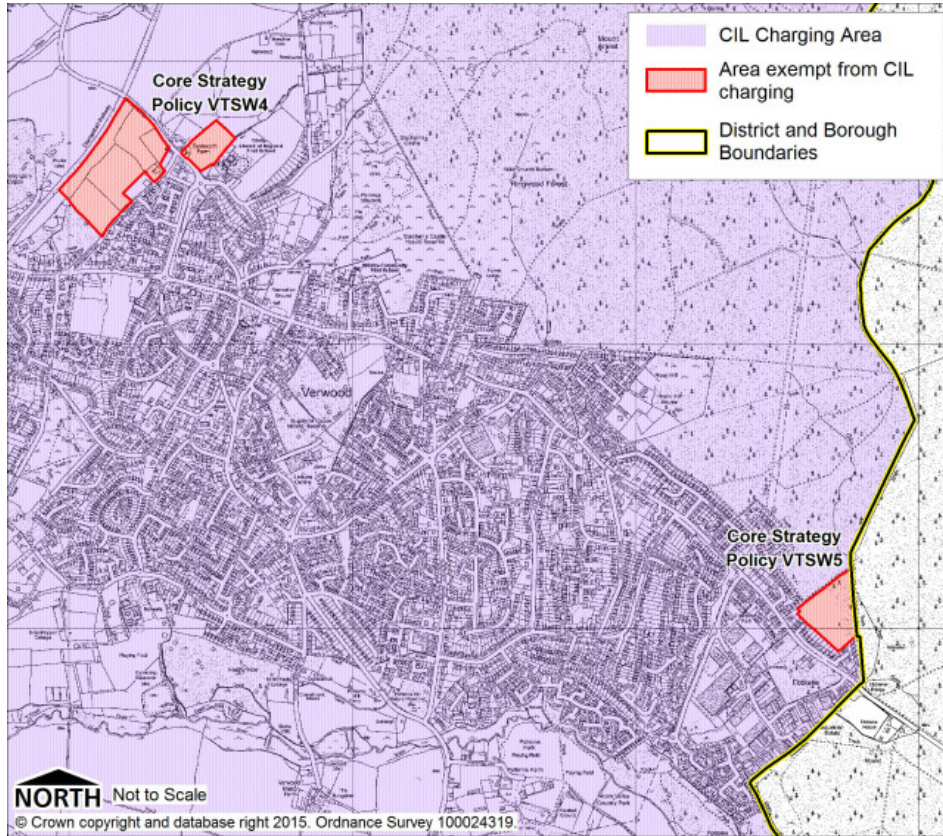
Clarification on SANG Requirements from the Christchurch and East Dorset Core Strategy

5.8 The Core Strategy sets out that for large sites of approximately 50 dwellings or above it is expected that SANGs will form part of the infrastructure provision, particularly where new neighbourhoods or greenfield sites are proposed. The Core Strategy will continue to set the policy framework for where SANGs are required, informed by discussions between the Local Planning Authority and Natural England. For sites of approximately 50 dwellings and above where on site SANG is required it is appropriate that SANGs are secured by way of S106 so that they are delivered prior to the occupation of the dwellings. To avoid any potential double counting for SANGs through S106 and CIL the charging schedules set a zero CIL rate for these types of site. In order to create certainty for the purpose of the charging schedules the councils have set a threshold of 40 dwellings or more which was established in consultation with Natural England. This threshold has been set as it is not considered that individual developments of below 40 dwellings will be required to provide their own SANG in accordance with the Core Strategy.

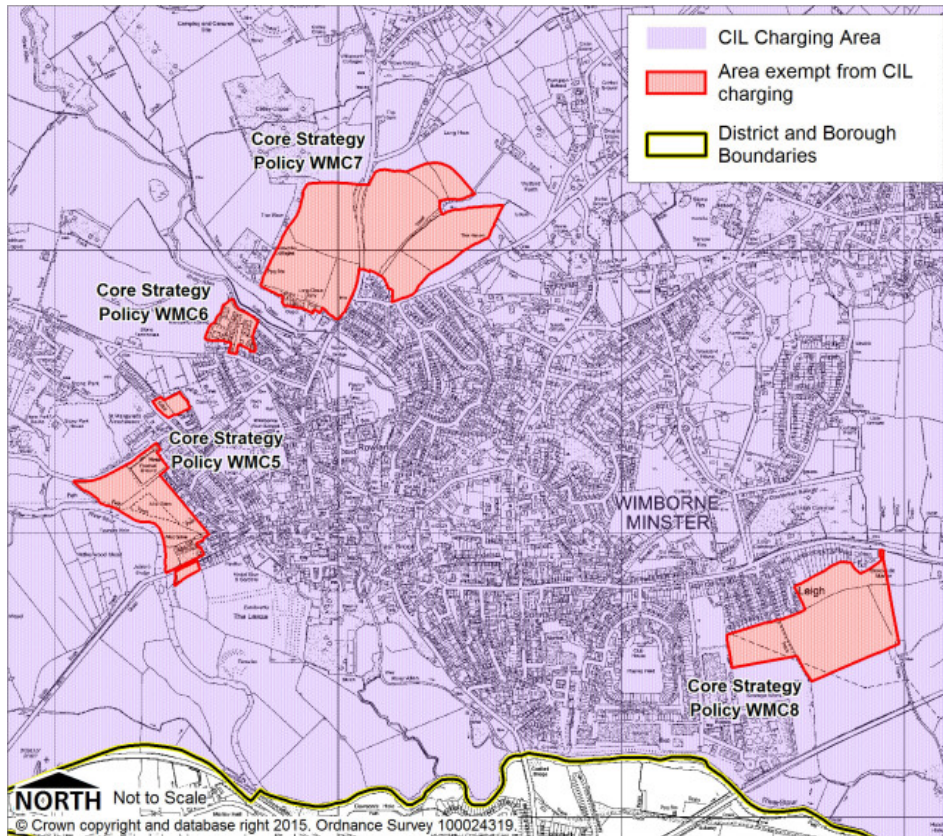
The Christchurch and East Dorset CIL Charging Area



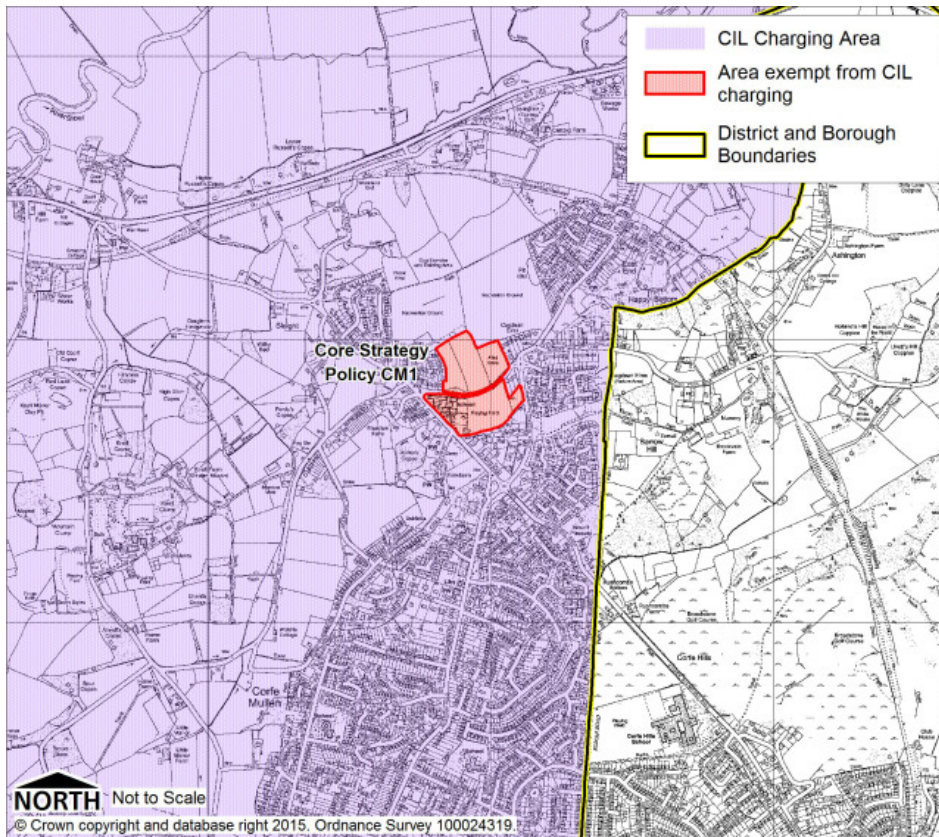
Map 5.1 CIL Charging Area Overview Map



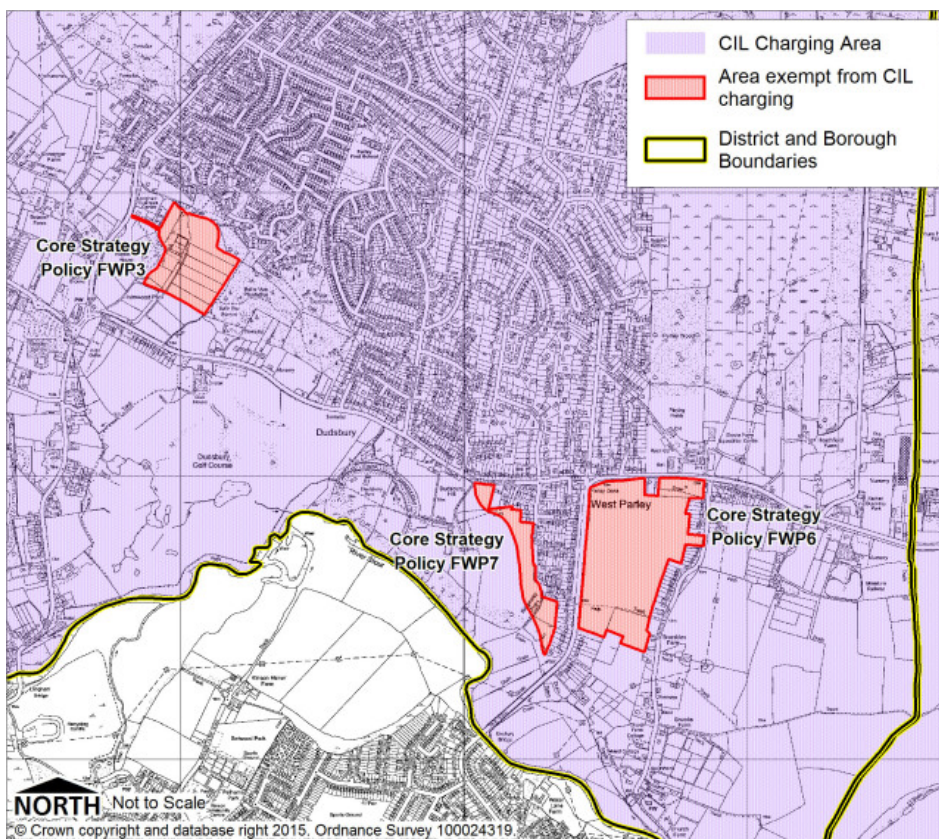
Map 5.2 CIL Charging Area - Verwood Inset



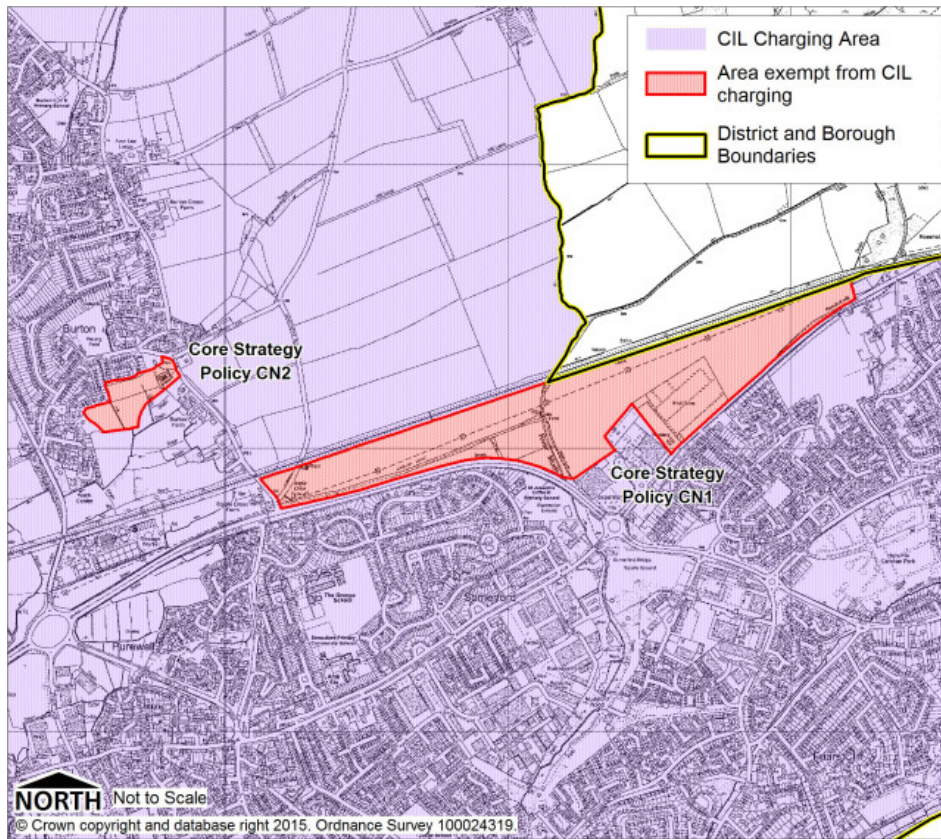
Map 5.3 CIL Charging Area - Wimborne Inset



Map 5.4 CIL Charging Area - Corfe Mullen Inset



Map 5.5 CIL Charging Area - West Parley Inset



6 Monitoring and Review

6.1 The Councils need to ensure that the CIL rates remain appropriate over time. The Christchurch and East Dorset Charging Schedules will be reviewed as and when appropriate to take account of changing economic circumstances and viability.

6.2 The Councils will use the following indicators to inform the requirement for a review:

1. Housing delivery falls **below by** 20% of expected figures at the end of any 3 year rolling programme or rises more than the 20% above.
2. Infrastructure funding gap falls below the projected level of funding that would be generated by new development from CIL.
3. Average property price changes (including upturn in the market), **that lead to a significant impact on development viability.**
4. Changes in delivery times of major schemes to be funded in part by CIL.