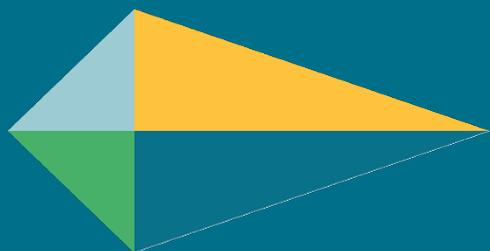


East Suffolk Draft Community Infrastructure Levy Charging Schedule - frequently asked questions



EASTSUFFOLK
COUNCIL

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General Questions about CIL and the current draft CIL Charging Schedule Consultation

1. What is the Community Infrastructure Levy (CIL)?

The Community Infrastructure Levy (CIL) is a charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 but it is not mandatory for all local authorities to apply CIL. Where it is in place, it is used alongside planning obligations (Section 106 agreements) to secure and deliver infrastructure to support housing, employment and other growth. See below for more information about planning obligations.

2. Is CIL currently in place in East Suffolk?

Yes. It was introduced in the former Waveney district in 2013 and in the former Suffolk Coastal district in 2015. These two CIL Charging Schedules will remain in force until the new CIL Charging Schedule is 'adopted' and brought into effect.

3. What forms of development does CIL apply to?

CIL applies to most new buildings, to conversions to residential or retail and change of use permissions and is based on the location, size and type of new floorspace created. CIL is payable on commencement of the development and on the approval of retrospective planning permission. The CIL rates, and a map showing zones with different rates of charge (where relevant), are included in a document called a CIL Charging Schedule.

4. Do the CIL Rates stay the same once set?

The CIL rates are changed on 1st January each year by applying the latest national CIL index, published by the Royal Institute of Chartered Surveyors (which tracks construction prices nationally). The Council publishes the newly adjusted rates by 31 December each year. Therefore the current rates are now somewhat higher than they were originally at the time of 'adoption' in 2013/2015.

[The Council's CIL webpages](#) contains further information on all the above information, including the interactive map that shows the different residential charging zones within the district.

Liability for CIL in East Suffolk

5. Who is liable to pay CIL rates in East Suffolk?

Development which creates new, additional or converted internal area of 100 sqm or more or development of new houses or flats (of any size) may be liable. Please see the existing Suffolk Coastal and Waveney CIL Charging Schedules for existing rates and information:

www.eastsuffolk.gov.uk/planning/developer-contributions/community-infrastructure-levy/

6. Is CIL chargeable for 'permitted development'?

Certain types of work can be carried out without applying for planning permission ('permitted development'), such as more information is available here:

www.planningportal.co.uk/info/200187/your_responsibilities/37/planning_permission/2

CIL may apply to permitted development. Guidance on the General Permitted Development Order is available here:

www.gov.uk/guidance/when-is-permission-required#What-are-permitted-development-rights

The current consultation and proposed CIL rates

7. Why are the existing CIL Charging Schedules being reviewed?

Both of East Suffolk's Local Plans (which set out planned housing and other types of growth to 2036) have been adopted recently – the Waveney Local Plan was adopted in 2019, and the Suffolk Coastal Local Plan was adopted in 2020. In addition, the former Suffolk Coastal and Waveney districts were formally merged in 2019 to form East Suffolk Council.

Although there has been the annual adjustment in the CIL rates (see Q4 above), it is good practice to do a full review of CIL Charging Schedules every five years or so – and the existing Charging Schedules are six and eight years old (respectively).

Taking these three factors together, it is now considered a suitable time to create a single Charging Schedule covering the whole of the East Suffolk district.

8. What is the current consultation about?

This consultation provides everyone with the opportunity to review the Draft CIL Charging Schedule, alongside the draft Instalment Policy and other background documents, and submit comments.

East Suffolk Council previously [undertook a consultation in spring 2021](#) on some of the key basic assumptions used to underpin the Draft CIL Charging Schedule, such as building costs, developers' profit margins and the cost of water efficiency measures in houses. The

responses have been considered in the creation of the Draft CIL Charging Schedule (see the Statement of Consultation for details).

9. Where do I find the information on the draft CIL Charging Schedule?

The proposed new rates, and the different CIL charging zones, are detailed in the draft Charging Schedule which is available online here:

www.eastsuffolk.gov.uk/planning-policy-consultations

Paper copies of the Draft East Suffolk CIL Charging Schedule, and the accompanying evidence and background documents, have been made available at all libraries in the district (for information on all library opening hours please see www.suffolklibraries.co.uk). The documents are also available to view in the Council's Customer Service Centres:

Marina Centre
Lowestoft
NR32 1HH

Woodbridge Library
New Street
Woodbridge
IP12 1DT

Felixstowe Library
Crescent Road
Felixstowe
IP11 7BY

Please note that the Customer Service Centres are currently being staffed part time. For information on the Council's Customer Service Centre opening hours please see www.eastsuffolk.gov.uk/contact-us/customer-services/.

10. What can I do if I can't view documents online, get to a library or get to a customer service centre?

Due to the ongoing impacts of the Covid-19 pandemic, if you are unable to view these documents online, at a library or in the Customer Service Centres, please contact us for assistance by emailing planningpolicy@eastsuffolk.gov.uk or calling 01394 444557. Please note that if you wish to contact us via telephone, we are currently operating via a voicemail service. Please leave a message including your contact details and your call will be returned as soon as possible.

What is the evidence supporting the proposed CIL rates?

11. How has the viability of development been considered?

The key evidence base underpinning the Draft CIL Charging Schedule is the CIL Viability Report, prepared on behalf of the Council by specialist consultancy Aspinall Verdi. In simple terms, it is necessary to assess the likely value of new development (the selling price for houses, for example) and the costs of undertaking the development.

The costs of development include elements like:

- the cost of a developer acquiring the land
- the cost of actually building the scheme (materials, labour etc)
- the cost of complying with any key Local Plan or other relevant policies – this could include (for example) providing affordable housing, drainage and flood risk measures, making financial contributions towards new school places and appropriate cycle paths
- the cost of a developer borrowing money to fund the scheme
- the allowance of an appropriate profit margin for developers

Other factors that can affect a site's viability include its size (sites of a variety of sizes have been considered) and the net density of development; the higher the density (of e.g. houses), the more the land/site will be worth.

In simple terms: if the value of the particular site (assumed selling prices) minus all the costs leads to a surplus, then there may be potential to levy a CIL charge. If it does **not** lead to a surplus, then it will not be viable for CIL and a £0 rate will have to be applied.

12. Does a 'buffer' need to be included in the proposed CIL rates?

Yes. It is important that rates set out in a CIL Charging Schedule are not set right at the upper margins of viability. Because the rate of CIL payable is non-negotiable, if there is a downturn in the housing market (for example) it is important that the CIL rates are set below the theoretical maximum, or it could risk rendering some sites unviable.

The amount of buffer allowed for is a matter of professional judgement and varies between development types and sites. For the 'strategic' sites, buffers of about 70% are concluded to be appropriate (due to the higher uncertainties and risks), whereas for smaller sites a lower buffer (reflecting lower uncertainties and risks) is more appropriate.

13. Are the proposed CIL rates the same across East Suffolk?

Aspinall Verdi's work on the CIL Viability Report has considered elements such as land values, development costs, Local Plan policy costs and sales values across different locations within East Suffolk. They have been considered separately for different development types,

such as residential accommodation, holiday accommodation, specialist residential accommodation, retail uses and employment uses (such as offices and industrial units).

Across the district, costs and prices can be variable. This can clearly affect the viability of different developments. In housing terms, for instance, there is a big difference in values between the middle of Lowestoft (where values are generally low) and locations such as Southwold and Aldeburgh, where average values are very high.

The evidence shows that residential CIL rates should vary across the district. Charging any rate of CIL in the middle of Lowestoft would risk rendering many developments unviable, whereas a low rate in places like Aldeburgh would risk not raising as much CIL money to help fund infrastructure in the district as could be justified.

Five different residential zones are identified, and with an appropriate buffer allowed for, the rates are as proposed:

- Lower Zone (inner Lowestoft) – £0 per square metre (not viable for CIL)
- Mid Lower Zone (rest of Lowestoft) – £0 per m²
- Mid Zone (most of the rest of the former Waveney area, plus the Leiston area) – £100 per m²
- Mid Higher Zone (bulk of the former Suffolk Coastal area) – £200 per m²
- Higher Zone (Southwold and Aldeburgh areas, plus villages to the north-west of Ipswich, including Woodbridge) – £300 per m²

Other development types (including office and retirement accommodation) have been considered separately; in most cases, a single rate of charge across the whole district is appropriate, as values vary less. (See Q15 for the rates of other types of development.)

14. Why are there individual rates for various specific sites?

The largest development sites allocated in the two Local Plans tend to have high levels of on-site infrastructure required to support that growth, such as a site for a primary school, community centre, specified local road improvements, large areas of open space etc). These pieces of infrastructure are not typically required for smaller sites.

The on-site infrastructure costs reduce the overall viability of the sites and therefore the amount of CIL that can be charged. However, it is recognised that the build costs of the largest developers (who will typically build out the largest sites) tend to be lower than for smaller builders, due to their greater bargaining power and economies of scale, and this is taken into account.

It is very common for CIL Charging Schedules to consider the viability of such 'strategic' sites individually, and so set a bespoke CIL rate, and this is what has been done for eight sites in East Suffolk. These sites are generally the largest allocated in the two Local Plans, delivering significant number of houses (and often other development types, such as new employment

land). The differences in values between the strategic sites reflects elements like different values; site sizes; site densities; and differing infrastructure requirements:

- i) South Saxmundham Garden Neighbourhood (approx. 800 dwellings) – proposed CIL rate £90 per m²
- ii) North Felixstowe Garden Neighbourhood (approx. 2,000 dwellings) – proposed CIL rate £100 per m²
- iii) Land off Howlett Way, Trimley St Martin (approx. 360 dwellings) – proposed CIL rate £90 per m²
- iv) Brightwell Lakes/Adastral Park, Martlesham (approx. 2,000 dwellings) – proposed CIL rate of zero (*as this site has already received outline planning permission, in 2018, at the current Suffolk Coastal CIL Charging Schedule rate of £0*)
- v) Land south of The Street, Carlton Colville (approx. 900 dwellings) – proposed CIL rate £70 per m²
- vi) Beccles & Worlingham Garden Neighbourhood (approx. 1,250 dwellings) – proposed CIL rate £40 per m²
- vii) North of Lowestoft Garden Village (approx. 1,300 dwellings) – proposed CIL rate £90 per m²
- viii) Kirkley Waterfront (approx. 1,380 dwellings) – proposed CIL rate zero per m² (as it is in the current Waveney CIL Charging Schedule)

15. What about other development types?

Aspinall Verdi has also tested other development uses such as residential, employment, holiday accommodation and specialist housing, and sites of different sizes. ‘Convenience’ (food) retailing is classed at £70 per m² and holiday accommodation in some coastal parts of the district at £210 per m².

All other development types assessed – including office, commercial and various forms retirement and care accommodation – are concluded not to be viable for CIL (taking into account an appropriate ‘buffer’).

16. Where can I see the CIL Viability Report, which contains the evidence to support the proposed rates?

Aspinall Verdi’s recommended CIL rates (and the boundaries for CIL zones) are set out in the CIL Viability report and have been included in the consultation draft CIL Charging Schedule in their entirety.

Alongside all the other key documents and information, the Viability Report document can be viewed at libraries, Council Customer Service Centres or online:

www.eastsuffolk.gov.uk/planning-policy-consultations

Further information on the consultation

17. What new information is being published with this consultation?

The complete draft CIL Charging Schedule and the CIL Review Study is being published alongside the draft CIL Instalment Policy. In addition, the following supporting documents have been published for information:

- Statement of Representations (which sets out how people can comment)
- Draft Consultation Statement (highlighting previously-made comments and the Council's response to them)
- Frequently Asked Questions (*this document*)
- CIL Conformity Statement (to demonstrate the compliance with legislative and policy requirements)
- Equality Impact Assessment Screening Opinion
- Draft Habitats Regulations Assessment Screening Opinion
- Draft Strategic Environmental Assessment Screening Opinion

18. When is the consultation taking place?

The consultation on the draft Community Infrastructure Levy Charging Schedule (and draft Instalment Policy) will run from Thursday 11th November to **5pm on Thursday 23rd December 2021**.

19. Do our earlier representations on the Basic Assumptions consultation in spring 2021 need to be sent in again?

Previous comments in relation to the earlier basic viability assumptions consultation that took place from 15th March to 26th April 2021 have informed the preparation of the Draft Charging Schedule. (See the Statement of Consultation for who was consulted and how they were consulted and a summary of the representations received and Council's responses).

However, if you wish to repeat any of your comments in relation to any aspects of this consultation on the Community Infrastructure Levy Draft Charging Schedule (and the Draft Instalment Policy) please do so – earlier comments will not automatically be re-considered.

All the representations made on the Draft CIL Charging Schedule will be submitted to the Examiner for him to consider during the public examination. The Examination is anticipated to start in late winter 2022 and be complete by the end of spring 2022, but the timing of this is in the hands of the Examiner and is subject to change.

20. What information should I submit for this consultation?

You are welcome to submit any comments regarding this consultation. We ask that where possible you submit appropriate evidence to support your comments. The type of evidence you may wish to submit may, for example, include land or house prices in a particular location, information on building costs, site specific costs on strategic sites etc.

21. What happens after the consultation is finished?

When this consultation ends on 23rd December 2021, the Council will consider all the representations carefully and might make modifications before submitting the Draft Community Infrastructure Levy (CIL) Charging Schedule for examination. All other relevant background and supporting documents will be sent to the Examiner too.

At the end of the examination, the Examiner will issue his report and recommendations. Subject to him recommending that the CIL Charging Schedule be approved (with or without modifications), the CIL Charging Schedule will then be presented to Full Council to consider for adoption and the date it will be brought into effect will be specified.

Questions about paying CIL

22. Can CIL payments be paid in instalments?

The Community Infrastructure Levy Regulations 2010 permits the Council to establish an instalment policy. The existing instalment policies for the former Suffolk Coastal and Waveney areas are available to view online here:

www.eastsuffolk.gov.uk/assets/Planning/Community-Infrastructure-Levy/SCDC-Instalments-Policy.pdf

www.eastsuffolk.gov.uk/assets/Planning/Community-Infrastructure-Levy/WDC-Instalment-Policy.pdf

To qualify to pay CIL in instalments the developer must have assumed liability for CIL and not have already commenced work onsite. They must submit valid CIL Forms 2 and 6 in order to be permitted to pay CIL by instalments.

This consultation on the Community Infrastructure Levy Draft Charging Schedule includes a new East Suffolk CIL Instalment Policy. Please submit your comments on the proposed policy for consideration.

23. Will CIL rates change on large sites being developed over a long-time period?

No. The rate of CIL payable is that on the day the permission is issued, even if it takes some years for the reserved matters for phases to be granted and construction to commence.

The only exception to this would be if an application was made to vary (or completely change) the original outline planning consent. If such an application was granted, then the rate of CIL applicable to that new permission would be the CIL rate on that day of permission.

24. When will the new CIL rates apply and how will my current/future planning application be affected by this?

When East Suffolk Council approves the adoption of the CIL Charging Schedule, an implementation date will be approved at the same Full Council meeting. This date must be at least the following day but is likely to be some weeks later. (As stated above, it is hoped that the new CIL Charging Schedule will be in place in summer 2022.)

Any development which has already been granted planning permission will not incur the new rate, but the new rates will apply to development approved on or after the implementation date. Planning officers will advise applicants of the proposed CIL rate changes in their normal pre-application and application discussions.

25. When will the new instalment policy apply?

As stated above, any developments that have not commenced at the point the new CIL Charging Schedule is implemented will pay the CIL rate that applied at the date the planning permission was granted. But payment will be made under the new Instalment Policy, as long as liability has been assumed and a valid commencement notice has been submitted at least 24 hours prior to the commencement date.

New Liability Notices will be issued to all applicable developments that have not commenced with details of the new instalments. Failure to assume liability requires payment in full upon commencement/implementation, or in the case of retrospective planning applications, from the date of grant of permission.

Questions about CIL spending

26. How is the Community Infrastructure Levy money collected?

East Suffolk Council issues a Demand Notice for the payment of the Community Infrastructure Levy upon commencement of development or on approval of CIL liable retrospective planning permission. The Demand Notice details the amount of Community Infrastructure Levy due, the date it is due and the information about instalments, where these are relevant.

Information on how to pay CIL is available online here:

www.eastsuffolk.gov.uk/planning/developer-contributions/community-infrastructure-levy/paying-cil/

The late payment of CIL is subject to statutory late payment interest that accrues from the date CIL is due. Interest is charged at an annual rate of 2.5% above the Bank of England base rate. There are penalties and surcharges if the CIL process is not followed. Late payment of CIL instalments means the option to pay in instalments is lost and the remaining CIL amount is then due in full immediately.

27. How is the money collected through the Community Infrastructure Levy spent?

The Council publishes the East Suffolk Infrastructure Funding Statement (IFS) annually. It reports on all the developer contributions (s106, CIL and RAMS) receipts and expenditure and provides a list of projects the council intends to fund through developer contributions and other funding sources. Information on CIL spending, the East Suffolk IFS and the East Suffolk CIL Spending Strategy is available here:

www.eastsuffolk.gov.uk/planning/developer-contributions/community-infrastructure-levy/cil-spending/

28. How much money will be apportioned to the local communities/projects?

15% of the CIL collected in a town or parish is passed directly to the relevant town or parish council. The 15% is 'capped' at a level that relates to the number of Council Tax dwellings in that parish area. In areas that have a made neighbourhood plan, 25% of the CIL collected is passed to the town or parish council. The town or parish council decides what local infrastructure priorities the money should be spent on.

29. Can CIL and S106 be used to fund the same infrastructure projects?

Subject to meeting the three tests set out in CIL Regulation 122, the Local Planning Authority can combine funds from both CIL and S106 to pay for the same infrastructure project, if needed. The Infrastructure List within the Council's annual Infrastructure Funding Statement provides more information on the use of CIL or s106 to deliver an infrastructure project.

What are Section 106 agreements and how do they relate to CIL?

30. What are Section 106 agreements?

[Planning obligations](#) that relate to necessary mitigation for a specific development proposal (site) are known as 'Section 106 agreements', which is often abbreviated to 'S106'. The name relates to Section 106 of the Town and Country Planning Act 1990, which states that the Local Planning Authority (East Suffolk Council) and any person with an interest in the land can enter into a legally binding and enforceable planning agreement.

S106 agreements are used to mitigate the impact of development and must be:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

Planning obligations may be used to secure infrastructure on-site and set some of the parameters of the development. For example, it may restrict the occupation of the site's new housing until after the main access road has been built.

31. What are the key differences between CIL and S106?

- I. Most new buildings are liable to pay a CIL charge in East Suffolk, but not all developments require a S106 agreement, particularly small to medium sites with no on-site infrastructure provision required by planning policy.
- II. CIL rates are fixed in the East Suffolk CIL Charging Schedule and S106 agreements are negotiated and specific to each development
- III. Viability evidence is gathered and examined prior to fixed CIL rates being adopted by the Local Planning Authority
- IV. A portion of the CIL collected (*15% where no Neighbourhood Plan is in place, 25% where a 'made' (adopted) Neighbourhood Plan is in place*) is available to the local Town or Parish Council where the development is taking place to spend on locally identified infrastructure requirements. No S106 contributions are available to Town and Parish Councils to spend in the same way.
- V. CIL does not secure on-site infrastructure and cannot be used towards affordable housing (as affordable housing is not considered to be infrastructure); S106 agreements are used to secure infrastructure, necessary mitigation and a percentage of on-site affordable housing in accordance with Local Plan policies.



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This document is available in alternative formats and in different languages on request. If you need support or assistance to help you read and/or understand this document, please contact the Council using one of the methods above.