Appendix 'A'

COTSWOLD
DISTRICT COUNCIL

Community Infrastructure Levy

Preliminary Draft Charging Schedule

May 2016

Cotswold District Council
Trinity Road
Cirencester
Gloucestershire
GL7 1PX

1. Introduction

1.1. This document is Cotswold District Council's Preliminary Draft Charging Schedule (PDCS). The PDCS sets out the proposed rates that will be applied to new development within the District. The rates vary by the location of and type of development. The funds raised will be used to secure the provision of infrastructure.

1.2. The purpose of this document is to enable the Council to consult on the approach it has taken in establishing its proposed rates. This is a statutory step towards the adoption of a Community Infrastructure Levy (CIL) and is prepared in accordance with the CIL Regulations.

1.3. Through the consultation representatives from the development sector, industry and commerce, Town and Parish Councils, community groups and organisations, local authorities, and members of the public are able to make representations in respect of the approach that the Council as Charging Authority proposes for setting CIL rates in the District.

1.4. In addition to this document, the Council has included two additional evidence base documents for consideration in this consultation. These are:

- Cotswold District Council Infrastructure Delivery Plan 2016 Update
- Cotswold District Council Whole Plan Viability Study April 2016

1.5. These documents are summarised in Section 4 and Appendix D of this report, respectively, and the full reports are available by following this link http://www.cotswold.gov.uk/residents/planning-building/planning-policy/emerging-local-plan/evidence-base-and-monitoring/

The PDCS consultation will run for six weeks from ### 2016 to ### 2016. It will end on 5pm on the final day.

Comments on the PDCS can be submitted by email or in writing to the Council. Comments can also be submitted online using the Council's consultation system.
To make a representation please send your comments:

By email to: localplan@cotswold.gov.uk

By post to: Forward Planning – PDCS Consultation
Cotswold District Council
Trinity Road
Cirencester
Gloucestershire
GL7 1PX

To submit comments online, please go to the Council's website and follow the instructions.

1.6. Please note that comments cannot be treated as confidential. While personal details will be removed the representations will be made available as public documents.

2. What is CIL, who pays it, and how is the payment calculated?

2.1. CIL is a levy which will enable local authorities to apply a charge to new development. The money raised by the levy will be used to fund infrastructure such as transport schemes, schools, health and social care facilities, parks, green spaces and leisure facilities that are required to ensure that the District grows sustainably.

2.2. CIL is non-negotiable which means there is certainty about how much applicants are required to pay. As per the CIL Regulations it will be levied on net additional floor space of development that exceeds 100 square metres. It will also be levied on development that creates at least one residential dwelling even if that dwelling is less than 100 square metres. CIL is charged on a per square metre basis.

2.3. With regard to residential development there will be no charge for the subdivision of existing dwellings, self-build dwellings and extensions. There are a range of statutory exemptions from CIL including but not limited to affordable Housing and development for charitable purposes. The CIL regulations set out a full list of exemptions.

2.4. CIL is payable within 60 days of the commencement of development although the regulations allow for an instalment policy to be adopted alongside CIL. The Council will consider a proposed instalment outside of this consultation.

2.5. Where land is required to provide new infrastructure such as schools or community facilities the Council may, at its discretion, accept 'payment in kind'. In such cases the total CIL liability is reduced by the value of the land offered. The Council will consider such a policy outside of this consultation.

2.6. The responsibility to pay the levy lies with the owner of the land unless liability is assumed by another party as set out in the CIL Regulations.

2.7. CIL rates will be index linked using the national All-in Tender Price Index published by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

2.8. The CIL rates for the Council's PDCS vary by use (residential and retail). The CIL Regulations allow for different rates of CIL to be charged in different areas. The Council is proposing two 'zones' for residential development (The Chesterton Strategic Site and the rest of the District). For retail and office development there is a District-wide zone. Some development types such as industrial will not be charged because the CIL Viability Study found that these uses did not have the financial capacity to pay a CIL. In other words, the Study found that there is a high likelihood that a CIL charge would render these developments industrial units unviable in the current market.

2.9. CIL liabilities will be calculated in accordance with CIL Regulation 40.

3. CIL and Infrastructure Required for the Local Plan

3.1. The Council consulted on their Local Plan: Development Strategy and Site Allocations during January and February 2015 and their Local Plan Reg 18 Consultation: Planning

Policies during November and December 2015 and is now due to consult on the Local Plan Submission Draft Reg 19. CIL is now proposed in the context of this new Local Plan and when considering rates the emerging policies have been considered (including the revised affordable housing targets of greenfield and brownfield sites of 40% and 30% respectively (being reduced from 50% in the adopted Plan).

3.2. The Council intends to adopt CIL when the new Local Plan is adopted.

3.3. The IDP assesses the infrastructure and costs to establish whether there is a funding gap. It also considers the scale and type of infrastructure necessary to deliver the growth identified in the Local Plan. The funding gap analysis consists of the funding still required for infrastructure delivery after all known (non CIL) sources of infrastructure funding is accounted for. Funds from CIL will be used to close the funding gap.

3.4. The Council considers its CIL Charging Schedule as a positive tool to support sustainable growth under a range of market conditions and to this regard it has been mindful of future growth scenarios.

3.5. The CIL Regulations require the Council to allocate a 'meaningful proportion' of CIL to the neighbourhood from which funds are raised. In 2013 the Government defined 'meaningful proportion' to be a minimum of 15% capped at £100 per existing rateable dwelling of CIL income arising in a parish or town council area and 25% in areas with a Neighbourhood Plan or Neighbourhood Development Order.

4. Infrastructure Delivery Plan

4.1. The infrastructure categories which were assessed in the IDP include social infrastructure (education, health, sports and leisure, open and play space, libraries and community centres), transport, and utilities. The details of how these infrastructure categories have been assessed are in the IDP which can be accessed from the Council's evidence webpage.

4.2. The IDP also provides up-to-date costs associated with the infrastructure required to deliver the growth identified in the Local Plan. The infrastructure costs associated with this growth is about £21M.

4.3. Finally, the IDP identifies the funding gap. The funding gap is the difference between the total infrastructure costs and the corresponding estimated non CIL funds identified by the Council for infrastructure delivery. The identification of the funding gap and a discussion of each identified funding source is in Appendix X of the IDP. The infrastructure funding gap is £9.8M

5. CIL and S106

5.1. The Council currently collects financial contributions for infrastructure from new development through S106 agreements.

5.2. In 2010 CIL Regulation 123 introduced 'pooling restrictions' which limited the Council's ability to use S106 to fund infrastructure from 6 April 2015. Specifically the Regulation limited S106 obligations where five or more have been entered into after 6 April 2010 in respect of a specific infrastructure project or type. Prior to 6 April 2015 the Council was able to secure as many contributions as it could justify for an infrastructure project or type.

5.3. As a result of Regulation 123 the Council is now generally limited to using S106 obligations for the purpose of securing infrastructure that mitigates site-specific impacts arising from development such as access roads for example. In some limited cases the Council may use S106 to secure a strategic infrastructure project or type from several sites.

5.4. Regulation 122 was another limitation on the Council's ability to use S106 to fund infrastructure. It contains three tests which a S106 obligation is required to meet. The obligation must be (a) necessary, (b) directly related, and (c) related in scale and kind to the proposed development. These tests reduced the Council's ability to apply tariff-style S106 obligations which it had done according to its Planning Obligations and Developer Contributions Supplementary Planning Document (SPD).

5.5. As a result of the CIL Regulations, CIL is a more effective means for securing infrastructure funding than S106. It enables local authorities to pool as many developer contributions as it wishes for the purpose of funding infrastructure. In addition, CIL funds levied from a particular development can be used to pay for infrastructure that is unrelated. In other words, it avoids the need to meet the three tests in Regulation 122.

5.6. The Council will publish a list of infrastructure it will fund through CIL. This is known as a Regulation 123 list. One purpose of the list is to ensure that councils do not double-charge applicants for infrastructure through both CIL and S106 agreement. Appendix B contains the Council's Draft Regulation 123 list. Once CIL is adopted and the list is in use it will be updated periodically as infrastructure projects are completed and new needs arise.

6. CIL Viability Testing and Rate-Setting

6.1. In setting the proposed CIL rates the Council has had regard to several considerations but principally :

- Whole Plan and CIL Viability Assessment - March 2016
- The Infrastructure Delivery Plan
- Anticipated development as per the Council's baseline growth option being assessed for the Local Plan
- Input from stakeholders

6.2. The Council commissioned the CIL Viability Study (as part of the Whole Plan Viability study) to determine if CIL rates would be viable in the District and to provide recommendations for a proposed set of rates. A summary of the Study is provided in Appendix D. The full Whole Plan and CIL Viability Assessment can be downloaded from the Forward Planning evidence and Monitoring page of Council's website.

6.3. The Study analysed both residential and non-residential property development in the District. It applied financial appraisal models to a sample of different types of development schemes which are anticipated in the baseline growth option being considered for the Local Plan.

6.4. To ensure that the appraisal models realistically portray property development in the District, there are allowances for all the Council's policies (including affordable housing) which are consequential to the viability of property development. The models also reflect market assumptions related to the revenue and costs of development in the District. A consultation event has been held with developers to ensure that the assumptions in the CIL Viability Study are robust and reflective of market realities.

6.5. The CIL Viability Study's modelling results indicate that a CIL charge is viable for two different development types: residential and retails. For residential development the Study recommends two zones. This reflects the fact that the strategic site at Chesterton is of a very large scale and has substantial Strategic Infrastructure and mitigation costs associated with it making it distinctly different to other development in the District.

6.6. CIL Regulation 14 states that the Council (as Charging Authority) must strike what appears to be an appropriate balance between the desirability of funding infrastructure and the potential effects that CIL could have on development viability. In other words, the PDCS is not expected to be strictly based on a mechanistic approach to rate-setting. Indeed, the Council has been sought to establish the appropriate balance.

7. Preliminary Draft Charging Schedule

7.1. The table below contains the proposed CIL rates. Maps showing the corresponding residential CIL zones is included in Appendix A.

Proposed rates of CIL	
Development Type	Maximum Rate of CIL
• Residential • All development sites including Sheltered Housing and Extracare Housing but excluding the Chesterton Strategic Site • Chesterton Strategic Site	£80/m^2 £0/m^2
Retail Development	£60/m^2
All Other Development	£0/m^2

8. Next Steps

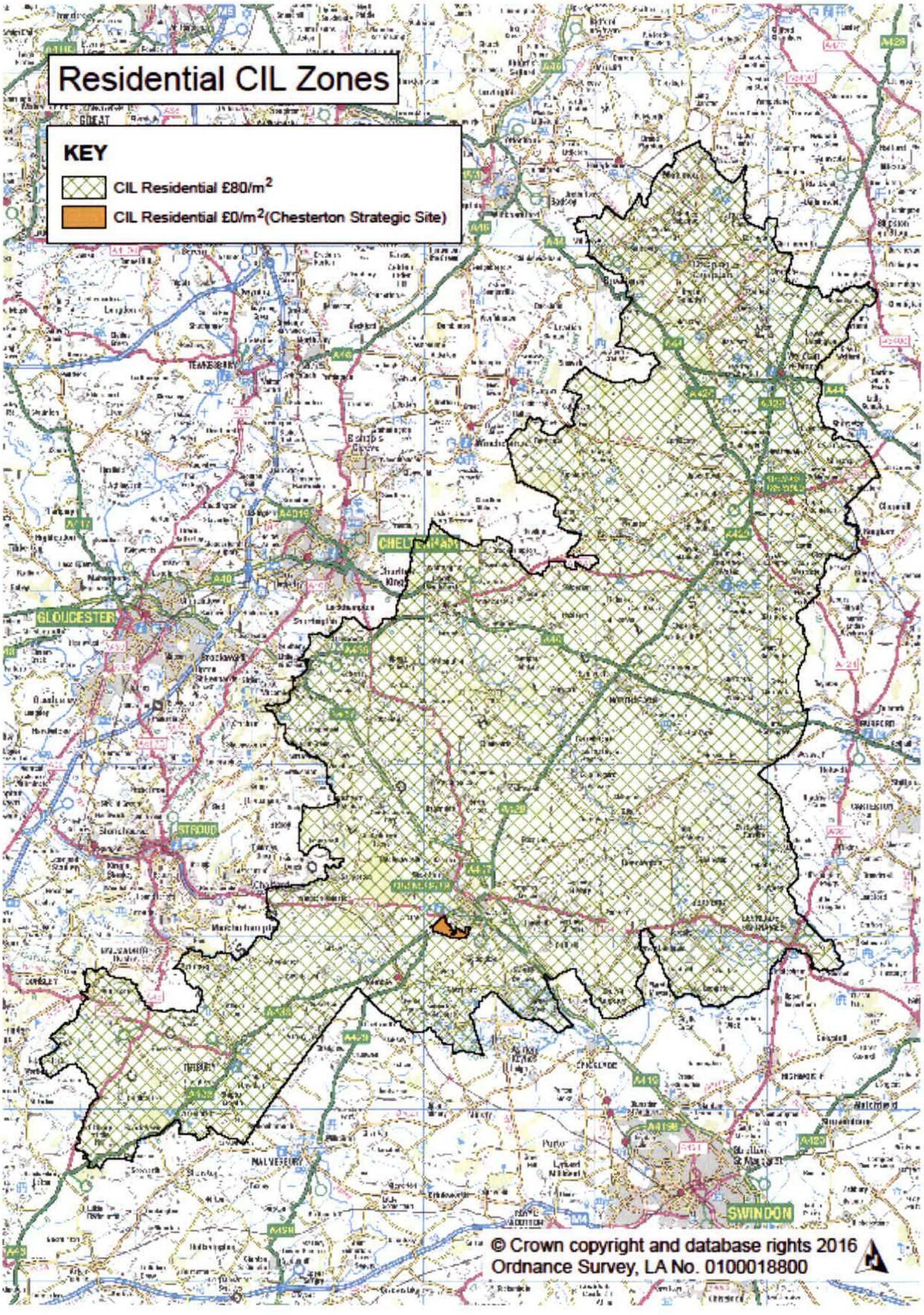
8.1. While the purpose of this document is to consult on the PDCS, it is an early step in the process for adoption of CIL.

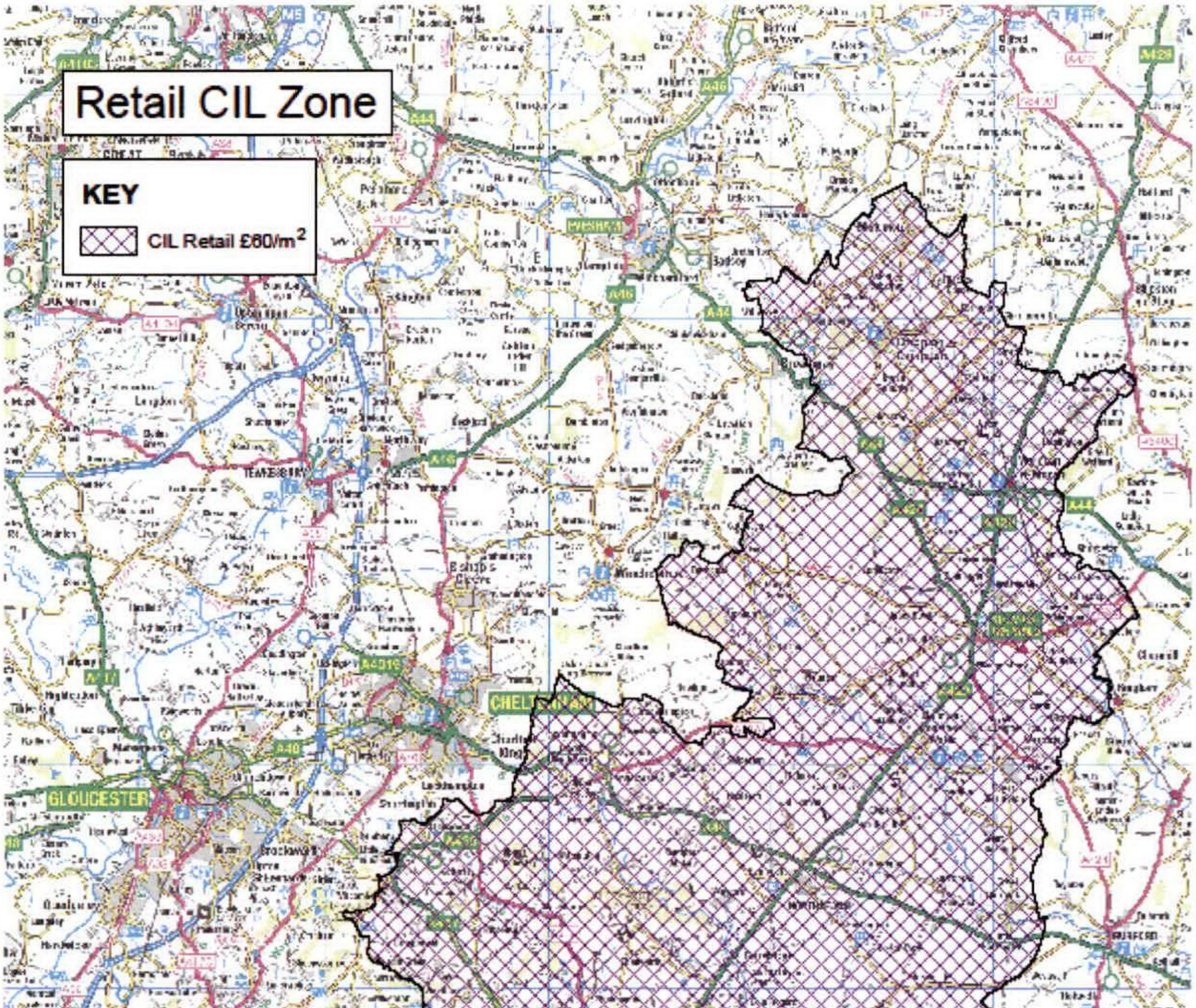
8.2. All comments received for this consultation will be taken into account in the preparation of a Draft Charging Schedule (DCS). The Council will summarise all the representations it receives and provide responses through a document that will be made available on its webpage. The summary document will evidence how the Council will have taken account of consultees' representations.

8.3. The DCS, once prepared, will also be subject to consultation before its submission to an independent examiner prior to public examination. We anticipate that consultation on the DCS will take place later in 2016 and the examination will be held in 2017.

8.4. Alongside the process for adopting CIL, the Council will review its current system of collection of Planning Obligations with a view towards producing a comprehensive Development Plan Document which reflects how S106 will be used alongside CIL.

Appendix A – CIL Charging Zones Maps




Retail CIL Zone
KEY
CIL Retail £60/m²
CHELTENHAM
GLOUCESTER
STROUD
SWINDON
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Ordnance Survey, LA No. 0100018800

Appendix B – Draft Regulation 123 List

B1 The list below sets out the infrastructure projects that the Council intends to wholly or partly fund through CIL.

B2 The inclusion of an infrastructure project or type does not signify a commitment by the Council to fund it. Nor does the order of the list reflect the Council's priorities.

Infrastructure to be funded, or part funded, through CIL	**Infrastructure and other items to be funded through S106 Obligations; S278 of the Highways Act; other legislation or through Planning Condition**
Transportation Transportation infrastructure for walking, cycling, public transport and highways.	Development specific mitigation works on, or directly related to, a development site.
Education Provision for which the Local Education Authority has a statutory responsibility including early years, primary and secondary (covering ages 2 – 19)	Development specific mitigation works on, or directly related to, a site.
Flood and Water Management Flood risk mitigation to support development across the area.	Development specific mitigation works on, or directly related to, a site.
Social and Community Infrastructure Including social and community facilities, sports, recreational, play infrastructure and youth provision, and cultural infrastructure.	Development specific mitigation works on, or directly related to, a site.
Green infrastructure Strategic green infrastructure.	Development specific mitigation works on, or directly related to, a site.
Historic Environment Conservation and enhancement of the historic environment, heritage assets and their setting.	Development specific mitigation works on, or directly related to, a site.
Public Realm, Art and Culture Off-site provision/ enhancements	Development specific mitigation works on, or directly related to, a site.
Emergency Services (Police, Fire and Ambulance) Including infrastructure to support the capacity of local services in areas of major growth.	Development specific mitigation works on, or directly related to, a site.
Economic Development Infrastructure Including off-site starter business units, information and communications technology, supporting other employment initiatives.	On-site infrastructure and non-infrastructure Initiatives such as skills training and local employment initiatives.
Waste Recycling Provision of household waste recycling and waste management facilities	On site collection facilities and waste reduction initiatives.
Renewable Energy Infrastructure Renewable Energy infrastructure	On-site renewable energy schemes.

Appendix C DRAFT Instalment Policy (to follow)

Appendix D – Viability Testing

Background

D1. HDH Planning and Development Ltd, prepared a Whole Plan and CIL Viability Assessment (March 2016). This has been published for consultation with this PDCS. The Viability Assessment sets out the methodology used, the key assumptions adopted, and contain an assessment of the Council's emerging planning policies. The planning policies are set out in the Cotswold District Council Local Plan: Development Strategy and Site Allocations Reg 18 Consultation: Planning Policies.

D2. Viability testing is an important part of the wider plan-making process. The requirement to assess viability forms part of the National Planning Policy Framework (NPPF), the Planning Practice Guidance (PPG), and is a requirement of the CIL Regulations. In each case the requirement is slightly different but all have much in common.

D3. Regulation 14 (as amended) of the CIL Regulations says that 'councils must strike an appropriate balance between (a) 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 actual and expected sources of funding; and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability'.

D4. Viability testing in the context of CIL will assess the 'effects' on development viability of the imposition of CIL. It should be noted that whilst the financial impact of introducing CIL is an important factor, the provision of infrastructure (or lack of it) will also have an impact on the ability of the Council to meet its objectives through development and deliver its Development Plan. The Plan may not be deliverable in the absence of CIL. Further, the level at which CIL is set is not calculated through a predetermined formula. The assessment of the effect of CIL is a quantitative and a qualitative process.

D5. The test that will be applied to the proposed rates of CIL are set out in the updated CIL Guidance (within the PPG), which says at (PPG ID: 25-009-20140612) 'As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), 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.'

D6. The test is not whether one site or another is viable; it is whether the sites and the scale of development is subject to such a scale of obligations and policy burdens (when considered together) that their ability to be developed viably is threatened by CIL.

D7. CIL Regulation 13 (as amended) provides scope for CIL to be set at different levels by different area (zones) and type and size of developments.

D8. Guidance, for example, to set a high rate to deter a particular type of development, or to set a low rate to encourage it – a consistent approach must be taken across all development types.

D9. There is no specific technical guidance on how to test the viability in the CIL Regulations or Guidance. There are several highly regarded sources of guidance and appeal decisions that support the methodology used. The CIL Viability Study follows the Viability Testing in Local Plans – Advice for planning practitioners (LGA/HBF – Sir John Harman) June 2012 (known as the Harman Guidance) and Financial viability in planning, RICS guidance note, 1st edition (GN 94/2012) which was published during August 2012 (known as the RICS Guidance).

D10. The methodology was presented at a consultation event on 2nd June 2015 event and there was a unanimous consensus that it was appropriate to follow the Harman Guidance.

Viability Testing – Outline Methodology

D11. There is no statutory technical guidance on how to go about viability testing. We have therefore followed the Harman Guidance. The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation, which has been standard for as long as land has been traded for development is:

Gross Development Value

(The combined value of the complete development)

LESS

Cost of creating the asset, including a profit margin

(Construction + fees + finance charges)

=

RESIDUAL VALUE

D12. The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory profit margin.

D13. It is well recognised in viability testing that the developer should be rewarded for taking the risks of development. The NPPF terms this the 'competitive return'. The essential balance in viability testing is around the land value and whether or not land will come forward for development. The more policy requirements and developer contributions the planning authority asks for the less the developer can afford to pay for the land. The purpose of this study is to assess the effect of CIL and to quantify the costs of the Council's various policies on development and then make a judgement as to whether or not land prices are squeezed to such an extent that, in the NPPF context, that the Development Plan is put at 'serious risk' or, in the context of the CIL Guidance, whether development is 'threatened' to such an extent that the Plan is not delivered.

D14. The meaning of 'competitive return' is at the core of a viability assessment. The RICS Guidance includes the following definition:

__Competitive returns__ - A term used in paragraph 173 of the NPPF and applied to 'a willing land owner and willing developer to enable development to be deliverable'. A 'Competitive Return' in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan. A 'Competitive Return' in the context of a developer bringing forward development should be in accordance with a 'market risk adjusted return' to the developer, as defined in this guidance, in viably delivering a project.

D15. CIL is not calculated by some pre-determined formula. The assessment of viability as required under the NPPF and the CIL Regulations is a quantitative and qualitative assessment based on professional judgment. The basic viability methodology involves preparing financial development appraisals for a representative range of sites and actual sites and using these to assess the effect that CIL may have on development viability. The sites were modelled based on the sites being taken forward in the new Plan.

D16. HDH used a bespoke viability testing model designed and developed specifically for area wide viability testing as required by the NPPF and CIL Regulations. The purpose of the viability model and testing is not to exactly mirror any particular business model used by those companies, organisations and people involved in property development. The purpose is to capture the generality and to provide high level advice to assist the Council in assessing the deliverability of the Detailed Policies and Sites Plan, and to set CIL.

Appraisal Assumptions

D17. The detailed assumptions and the sources from which they are drawn are set out in the CIL Viability Study and not repeated here.

Planning Policy Requirements

D18. The purpose of this study is to assess the deliverability development set out in the new Plan and the effect that CIL will have on development viability. In Chapter 8 development management policies in the emerging Local Plan are reviewed in the context of their impact on development viability. We have tested CIL in the context of the cumulative impact of these policies.

D19. The principle requirements are in relation to affordable housing and developer contributions.

Modelled Sites

D20. A range of sites (residential and non-residential) have been modelled to be representative of development that is anticipated to come forward in the new Plan. Specifically these are based on the Site Allocations Document which includes 39 Allocation sites, on about 25ha of land and with a capacity of just under 2,881 new homes. Over 80% (2,350 units) of these units are on the Chesterton Strategic Site. The reminder is distributed across the District. The Council has also identified 19 Reserve sites on about 48ha of land with a capacity 732 units. The Allocations and Reserve sites are set out in **Appendix 6** of the report. The emerging Plan also includes allocations of about 25ha of employment land and a further 4.5ha of Reserve employment land. This sites are listed in **Appendix 7**.

Appraisal Results

D21. The appraisals use the residual valuation approach – that is, they are designed to assess the value of the site after taking into account the costs of development, the likely income from sales and/or rents and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the value from an alternative use.

D22. The results of the appraisals will be compared with the Alternative / Existing Use Values in order to form a view about the likely viability of different levels of CIL. However, it does not automatically follow that, if the residual value produces a surplus over the alternative use value benchmark, the site is viable. The surplus needs to be sufficiently large to provide an incentive to the landowner to release the site and cover any other appropriate cost required to bring the site forward for development. We have assumed that for brownfield sites a figure of 20% over and above the EUV / AUV should be sufficient to provide an incentive to the landowner to dispose of their site and make them available for development.

D23. The treatment of greenfield sites has been considered separately. Based on our knowledge of rural development and from working with farmers, landowners and their agents together with the representations of developers, we have made a further adjustment for the greenfield sites tested. We have added a further £475,000/ha to reflect this premium. We have also added this amount to sites that were previously paddocks.

D24. The methodology used reflects a very considerable uplift for a landowner selling a greenfield site with consent for development. In the event of the grant of planning consent they would receive over ten times the value of the land before the consent was granted. Using existing use value plus a premium has been widely accepted elsewhere including the recent Inspector's report for the London Mayor's CIL. It has been used in similar studies in 40 authority areas, carried out by the professionals undertaking this study and in numerous other studies carried out by other firms.

D25. This approach is also strongly advocated in the Harman Guidance and the more recent draft PPG. These state that consideration of an appropriate Threshold Land Value needs to take account of the fact that future Plan policy requirements will have an impact on land values and landowner expectations.

D26. The resulting residual land values for the mix of affordable housing are as required by current policy – 40% affordable housing on greenfield sites and 30% affordable housing on brownfield sites of 6 or more units. For each development type we have calculated the Residual Value. The results tables are colour coded the results using a simple traffic light system:

a. **Green Viable** – where the Residual Value per hectare exceeds the indicative Viability Threshold Value per hectare (being the Existing Use Value plus the appropriate uplift to provide a competitive return for the landowner).

b. **Amber Marginal** – where the Residual Value per hectare exceeds the Existing Use Value or Alternative Use Value, but not Viability Threshold Value per hectare. These sites should not be considered as viable when measured against the test set out – however, depending on the nature of the site and the owner, they may come forward.

c. **Red** **Non-viable** – where the Residual Value does not exceed the Existing Use Value or Alternative Use Value.

D27. The results are set out and presented for each site and per hectare to allow comparison between sites. To understand the extent that sites can bear developer contributions over and above the requirements for affordable housing and other policy requirements. Multiple appraisals have been run to explore the ability to bear CIL:

Table 13.4 Residual Value compared with Viability Thresholds

Affordable – Brownfield sites 30%, Remaining areas 40% - range of CIL Contributions

			Alternative Use Value	Viability Threshold	Residual Value										
Rate of CIL					£0	£10	£20	£30	£40	£50	£60	£70	£80	£90	£100
1	Strategic Site	Chesterton	25,000	505,000	163,920	155,937	147,954	139,970	131,987	124,004	116,020	108,037	100,054	92,070	84,087
2	Large Greenfield	Urban Edge	25,000	505,000	458,986	448,872	438,758	428,645	418,531	408,417	398,304	388,190	378,076	367,962	357,849
3	Medium Greenfield 1	Settlement Edge	25,000	505,000	685,843	671,431	657,019	642,607	628,196	613,784	599,372	584,960	570,548	556,136	541,724
4	Medium Greenfield 2	Settlement Edge	50,000	535,000	1,043,642	1,028,330	1,013,019	997,708	982,396	967,085	951,774	936,462	921,151	905,840	890,528
5	Medium Brownfield	Urban	450,000	540,000	1,135,104	1,113,668	1,092,232	1,070,796	1,049,361	1,027,925	1,006,489	985,053	963,617	942,181	920,745
6	Smaller Greenfield	Rural	50,000	535,000	1,397,685	1,380,091	1,362,498	1,344,905	1,327,311	1,309,718	1,292,124	1,274,531	1,256,937	1,250,000	1,233,498
7	Smaller Brownfield	Infill	450,000	540,000	964,524	943,801	923,078	902,355	881,632	860,909	840,186	819,463	798,740	778,017	757,294
8	Small Green 1	Infill	50,000	535,000	1,224,330	1,207,192	1,190,054	1,172,917	1,155,779	1,138,641	1,121,503	1,104,365	1,087,228	1,070,090	1,052,952
9	Small Brown 1	Infill	450,000	540,000	939,824	916,301	892,779	869,257	845,734	822,212	798,689	775,167	751,644	728,122	704,599
10	Small Green 2	Infill	50,000	535,000	1,329,329	1,312,727	1,296,124	1,279,522	1,262,920	1,250,000	1,250,000	1,236,900	1,219,972	1,203,044	1,186,117
11	Small Brown 2	Infill	450,000	540,000	927,860	907,499	887,138	866,777	846,416	826,055	805,693	785,332	764,971	744,610	731,420
12	Sub Threshold - Green	Infill	50,000	535,000	1,250,874	1,250,000	1,243,952	1,228,227	1,212,503	1,196,778	1,181,054	1,165,330	1,149,605	1,133,881	1,118,156
13	Sub Threshold - Brown	Infill	450,000	540,000	1,313,340	1,289,273	1,265,206	1,250,000	1,229,122	1,204,817	1,180,512	1,156,207	1,131,901	1,107,596	1,083,291

			Alternative Use Value	Viability Threshold	Residual Value										
Rate of CIL						£110	£120	£130	£140	£150	£160	£170	£180	£190	£200
1	Strategic Site	Chesterton	25,000	505,000		76,104	68,120	60,137	52,055	43,794	35,533	27,272	19,012	10,751	2,538
2	Large Greenfield	Urban Edge	25,000	505,000		347,735	337,621	327,507	317,394	307,280	297,166	287,053	276,939	266,825	256,711
3	Medium Greenfield 1	Settlement Edge	25,000	505,000		527,312	512,901	498,489	484,077	469,665	455,253	440,841	426,429	412,017	397,605
4	Medium Greenfield 2	Settlement Edge	50,000	535,000		875,217	859,906	844,594	829,283	813,972	798,660	783,349	768,038	752,726	737,415
5	Medium Brownfield	Urban	450,000	540,000		899,310	877,874	856,438	835,002	821,389	799,747	778,105	756,463	734,821	713,179
6	Smaller Greenfield	Rural	50,000	535,000		1,215,736	1,197,973	1,180,210	1,162,448	1,144,685	1,126,923	1,109,160	1,091,397	1,073,635	1,055,872
7	Smaller Brownfield	Infill	450,000	540,000		736,571	715,848	695,125	674,402	653,679	632,956	624,237	603,108	581,979	560,849
8	Small Green 1	Infill	50,000	535,000		1,035,814	1,018,677	1,001,539	984,401	967,263	950,125	932,988	915,850	898,712	881,574
9	Small Brown 1	Infill	450,000	540,000		681,077	657,555	634,032	610,510	586,987	563,465	539,942	516,420	492,897	474,022
10	Small Green 2	Infill	50,000	535,000		1,169,189	1,152,261	1,135,333	1,118,405	1,101,478	1,084,550	1,067,622	1,050,694	1,033,767	1,016,839
11	Small Brown 2	Infill	450,000	540,000		710,857	690,294	669,732	649,169	628,606	608,043	587,481	566,918	546,355	525,792
12	Sub Threshold - Green	Infill	50,000	535,000		1,102,432	1,086,708	1,070,983	1,055,259	1,039,534	1,023,810	1,008,086	992,361	976,637	960,912
13	Sub Threshold - Brown	Infill	450,000	540,000		1,058,986	1,034,681	1,010,375	986,070	961,765	937,460	913,154	888,849	864,544	840,239

Source: CDC Whole Plan and CIL Viability Assessment, January 2016

<u>*Using Viability Evidence to set CIL*</u>

D28. The CIL Viability Study sets out the methodology used, the key assumptions adopted, and the findings, and has been prepared as a first step towards assisting the Council with the development of CIL and to engage with stakeholders. The CIL Guidance requires stakeholder engagement – particularly with members of the development industry. The findings of this report do not determine the rates of CIL, but are one of a number of factors that the Council may consider when setting CIL. In setting CIL there are three main elements that need to be brought together:

- Evidence of the Infrastructure Requirements
- Viability Evidence
- The input of stakeholders

Viability Evidence – Rates and Zones

D29. The viability evidence set out in the CIL Viability Study that has been prepared in line with the viability sections of the PPG, with the Harman Guidance and the RICS Guidance and having taken the comments of consultees into account. It is therefore an appropriate evidence base for the setting of CIL.

D30. Through the CIL process, and taking into account all the matters set out above, it was decided that:

a. CIL is required to fund infrastructure. Having taken into account the other sources of finance there is a 'funding gap' and CIL could make a useful contribution to fund the infrastructure required to support the development most likely to come forward prior to the adoption of the new Local Plan.

b. Affordable housing remains a Council priority but the Council also puts weight on the delivery of infrastructure.

c. The Council and its partners have been successful in securing capital funding for infrastructure but there remains a significant 'funding gap'.

d. That it would be preferable, if supported by evidence, to 'keep things simple' and not have multiple rates of CIL – although it was recognised that it was appropriate to have differential rates. It was agreed that a fine grained approach was not desirable.

e. CIL setting is a qualitative and a quantitative process. CIL is not calculated through a predetermined formula. *The Council is required to 'strike' the balance between (a) the desirability of funding from CIL ... the ... cost of infrastructure required to support the development of its area, ... and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*