

To Members of the Development Plan Panel

**Governance Services**

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23 August 2013

Dear Councillor

**DEVELOPMENT PLAN PANEL – 27 AUGUST 2013**

Further to the publication and despatch of the Development Plan Panel agenda papers for the meeting on 27 August 2013, please find enclosed the following additional information:

- Updated report and appendices - Agenda Item 6 – Leeds Community Infrastructure Levy – Draft Charging Schedule

I would be very grateful if you could include the enclosed information with your agenda pack and bring it along to the meeting.

Yours sincerely

Andy Booth  
Governance Officer

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**Report of the Director of City Development**

**Report to: Development Plan Panel**

**Date: 27<sup>th</sup> August 2013**

**Subject: Leeds Community Infrastructure Levy – Draft Charging Schedule**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): ALL	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Members are familiar with the Community Infrastructure Levy (CIL), and are aware that in Leeds we are working towards a target of adoption of the CIL by April 2014. Following Development Plan Panel and then Executive Board on the 9<sup>th</sup> October, the next stage is to consult on the Draft Charging Schedule from October 2013. The Draft Charging Schedule is effectively the Council's final proposal which will go to examination. Any representations received at the next stage of consultation will therefore not result in the Council making changes to the Charging Schedule but will be discussed during the examination.
2. Development Plan Panel on 2<sup>nd</sup> July 2013 was presented with a summary of the responses and key issues which arose from the consultation on the CIL Preliminary Draft Charging Schedule. Development Plan Panel on 27<sup>th</sup> August will consider an explanation of the changes which are now proposed following the Preliminary Draft consultation, including reference to further background information and analysis.
3. The appendices contain the proposed Draft Charging Schedule, the Council's detailed response to all the representations on the Preliminary Draft, further evidence and justification documents including on retail rates and evolution of the housing zones, and the Draft Regulation 123 List.
4. This report does not make any recommendations on spending priorities or local apportionment, other than explain the relationship with the Regulation 123 List, as these are separate matters and not directly concerned with the approval of the Charging Schedule itself.

## **Recommendations**

Development Plan Panel is requested to:

- i) Agree the content of the Draft Charging Schedule, in order to present the Panel's recommendation for approval at Executive Board.
- ii) Agree the scope of the evidence base and associated documents supporting the setting of the CIL rates, including the Regulation 123 List, in order to present the Panel's recommendation for approval at Executive Board.

### **1 Purpose of this report**

- 1.1 This report gives an explanation of the changes to the CIL Draft Charging Schedule which are now proposed following the Preliminary Draft consultation, including reference to further background information and analysis.
- 1.2 The Draft Charging Schedule and associated evidence documents are provided as appendices. Please note that this is a late item report to take account of a Cabinet discussion on 22<sup>nd</sup> August.

### **2 Background information**

- 2.1 The Community Infrastructure Levy Regulations 2010 (amended 2011, 2012, 2013) set out that a charging authority can choose to charge the CIL on new development in its area. The charges must be set out in a Charging Schedule, and must be based only on viability evidence. The CIL Regulations have also changed the use of S106 planning obligations and from April 2014 it will no longer be possible to secure S106s for District wide requirements such as greenspace, transport schemes and education facilities. There is a strong indication from CLG that this date may be moved to April 2015, however, until formal confirmation of this City Council officers are still aiming for April 2014.
- 2.2 The Leeds CIL Preliminary Draft Charging Schedule consultation closed on 15<sup>th</sup> May 2013. Development Plan Panel on 2<sup>nd</sup> July 2013 was presented with a summary of the responses and key issues which arose from the consultation.

### **3 Main issues**

- 3.3 During the consultation period 51 written responses were received from a wide range of businesses, community groups, individuals, agencies and residents. Overall the comments received were very useful in requiring officers to look closely at the different components of the Charging Schedule and reaffirm or refine the approaches taken. Officers have completed the detailed responses to the individual representations and the issues raised, and are confident that the overall approach taken by the Council in preparing the CIL is in line with the Guidance and Regulations. The majority of representations are not considered to require any changes to the Draft Charging Schedule. A summary of all the representations and the suggested response will form part of the material to be circulated after the Agenda date.



3.4 As set out in previous reports, the key findings of the CIL Economic Viability Study (GVA, January 2013) are the suggested maximum CIL rates which could be set across a range of development types and areas. Other evidence is then used alongside to justify the appropriate level to set the rates. This is a matter of judgement for the Council, bearing in mind that it must balance the aims to both gain funding to make a contribution towards the infrastructure needed to support growth and thereby contribute positively towards the delivery of the Core Strategy, but to not set the rates so high that they could threaten the viability of growth and development as a whole. “Charging authorities should avoid setting a charge right up to the margin of economic viability across the vast majority of sites in their area. Charging authorities should show, using appropriate available evidence... that their proposed charging rates will contribute positively towards and not threaten delivery of the relevant Plan as a whole” (Para. 30, CIL Guidance 2013).

#### Residential Zones

3.5 No changes are proposed to the residential rates except for the £24 psm Outer zone to be £23 psm to reflect a calculation error in the previous 10% reduction.

3.6 Development Plan Panel previously agreed the principle of the five residential CIL zones and their general extent. Additional evidence for this is explained in the ‘Evolution of Housing Charging Zones’ justification paper in Appendix 3. This explains in detail how the boundaries have altered over time, including why they differ from the zones used for previous studies and affordable housing boundaries. In considering the consultation responses, including assessment by GVA, some changes are now proposed to the residential zone boundaries. These are discussed in greater detail in the justification paper. In summary:

- Land to east of Garforth and Micklefield now in South (£45 psm) with boundary with the North (£90 psm) moved northwards along the M1/A1.
- South (£45 psm) extended to include all of the former Outer Central area to the west and north of the City Centre/Inner Area i.e. Pudsey around to Roundhay.
- Outer (£23 psm) boundaries around Middleton extended outwards to the A6110 / railway line to the southwest, and the M62 / M1 to the southeast.
- East Leeds Extension (ELE) moved into Outer (£23 psm) from Outer North (£90 psm).

3.7 In particular, in recognition of the significant S106 costs for the ELE which will remain over and above any CIL charge, although it was previously in the £90 psm Northern zone, it is now proposed to move it into the adjoining £23 psm Outer zone. Alongside the CIL the ELE is envisaged to include a S106 contribution (potentially via a roof tax) to the East Leeds Orbital Road estimated in total as £65m, other highways works, two to three primary schools, new bus stops and bus routes, and travel plan requirements including Metrocards. As an example, the Northern Quadrant scheme for 2,000 houses is to provide a two form entry primary school, a £3.56m secondary school contribution, a contribution to the ELE Integrated Public Transport Strategy, new bus stops, travel plan requirements including a co-ordinator post of £192k, Metrocards, a new bus subsidy of up to £1.2m, works to a number of junctions on the existing outer ring road, and longer term improvements to Junction 46 of the M1. As a consequence the CIL rate needs to reflect these costs, which is why it is set at £23 psm otherwise there is the possibility that it would undermine this key area of housing growth for the City.

### Retail rates

- 3.8 We are in a rapidly changing retail market including a move to online stores; a greater use of the internet for supermarket shops; a reduction in the weekly supermarket spend, the sector rationalising its store presence, and the continuation of chains going into administration. The major food retailers have cut back on their requirements in 2013 as a result of the recession (i.e. since the publication of the Viability Study), and there has been a general drop of about 30% of the prices that the retailers have been prepared to pay. This is borne out by various news reports about the 'big 4' supermarkets' profits and that they have recently written down their property portfolio. We also need to await the impact of Trinity and Victoria Gate in the City Centre. A number of representations also asserted that the proposed rates would be unviable.
- 3.9 The Guidance does recognise that not all developments will be viable under a CIL regime and that rates should not be set by reference to individual developments. However, in particular for town and City Centre brownfield sites unless the CIL is set at a reasonable rate, it may continue to be more profitable to maintain a site in other uses such as parking. The relationship with business rates also needs to be considered; the rates for City Centre offices range from £66 psm to £132 psm per year, with a King Street office paying £16k per year and an office in 1 Wellington Place paying £95k per year. Examples of large format retail rates are £71 psm for the Holt Park Asda (£360k per year) and £66 psm for the City Centre Primark (£456k per year).
- 3.10 Taking all these considerations into account it is therefore considered appropriate and necessary to provide more of a viability cushion to this sector as a whole. The Preliminary Draft Charging schedule proposed rates for any new retail above 500 sqm of £158 in the City Centre and £248 outside it. The 'Further Evidence on Retail Rates' justification paper provided in Appendix 3 sets out the modelling and calculations which has been undertaken for specific schemes such as Victoria Gate and the Middleton Asda to determine what revised rates would be appropriate. It is now proposed to respond to the concerns by separating out the different retail categories into convenience and comparison, increasing the minimum size for comparison retail from 500 sqm to 1,000 sqm, and reducing the rates especially for comparison retail.

### City Centre Office Rates

- 3.11 The City Centre office rate was reduced from the potential maximum of £100 psm suggested in the Viability Study down to £40 psm in the Preliminary Draft. Following representations received and again such factors as the current office market, in considering the balance it is proposed to slightly reduce it to £35 psm.

### Other Minor Changes

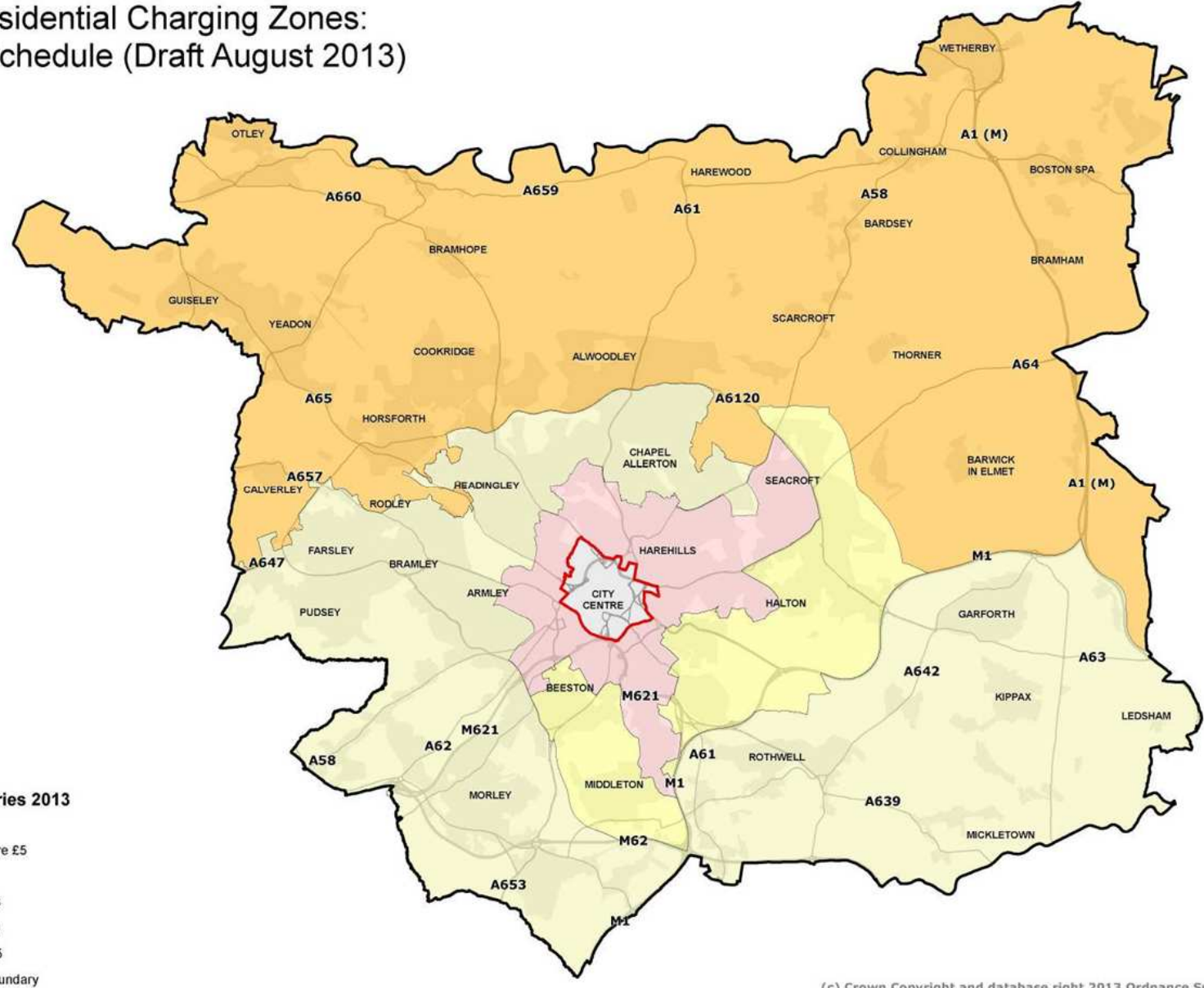
- 3.12 Appendix 4 contains the full table of 'Leeds City Council Responses to Representations on the CIL Preliminary Draft Charging Schedule'. The only other changes as a result of specific comments made are that agricultural development is proposed to be charged a zero rate rather than the £5 psm proposed in the Preliminary Draft, and that the instalments policy provides an additional bracket for CIL payments of over £500,000 and spread payment over a longer period for larger developments.

### Proposed Draft Charging Schedule

3.13 The full Draft Charging Schedule which includes a background explanation of the CIL is provided in Appendix 1. For clarity, the table showing the charges and the residential zone map is reproduced below.

<b>Type of development in Leeds</b>	<b>CIL Charge per square meter</b>
Residential – City Centre	<b>£5</b>
Residential – Inner	<b>£5</b>
Residential – Outer	<b>£23</b>
Residential – South	<b>£45</b>
Residential – North	<b>£90</b>
Convenience Retail ≥ 500 sqm in City Centre	<b>£110</b>
Convenience Retail ≥ 500 sqm outside of City Centre	<b>£175</b>
Comparison Retail ≥ 1,000 sqm in City Centre	<b>£35</b>
Comparison Retail ≥ 1,000 sqm outside of City Centre	<b>£55</b>
Offices in City Centre	<b>£35</b>
Development by a predominantly publicly funded or not for profit organisation, including sports and leisure centres, medical or health services, community facilities, and education	<b>Zero</b>
Agriculture	<b>Zero</b>
All other uses not cited above	<b>£5 /sqm</b>

CIL Residential Charging Zones:  
Draft Schedule (Draft August 2013)



- Key**
- CIL Boundaries 2013**
- ZONE**
- City Centre £5
  - Inner £5
  - Outer £23
  - North £90
  - South £45
  - Leeds Boundary

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## Comparison with Other Authorities

- 3.14 To aid comparison the table below gives examples of proposed rates in some other authorities. Harrogate is the only authority in the LCR to have published proposed rates, although Bradford and Kirklees are close to publishing their Preliminary Draft rates. Of the core cities Preliminary Draft rates have not yet been published for Liverpool, Manchester, or Nottingham. Although the CIL does not have the same legal 'Duty to Cooperate' requirement as the Core Strategy, since 2011 there have been officer meetings with neighbouring authorities/LCR on progress, joint working, and cross-boundary implications. This work is ongoing and officers are confident that the draft rates are appropriate for each authority.

	<b>Stage</b>	<b>Retail</b>	<b>Residential</b>	<b>Office</b>
<b>Leeds</b>	<i>Preliminary</i>	<i>Above 500 sqm £248 in CC, £158 elsewhere</i>	<i>£5, £24, £45, £90</i>	<i>£40 CC</i>
<b>Leeds</b>	<b>Proposed Draft</b>	<b>Convenience above 500 sqm in CC £110, £175 elsewhere Comparison above 1000 sqm in CC £35, £55 elsewhere</b>	<i>£5, £23, £45, £90</i>	<i>£35 CC</i>
<b>Harrogate</b>	<i>Preliminary</i>	<i>£200 supermarkets, £120 retail warehouse</i>	<i>£45 and £85</i>	<i>Zero</i>
<b>Birmingham</b>	<i>Preliminary</i>	<i>£380 supermarkets over 5000 sqm, £150 all other retail</i>	<i>£115 and £55</i>	<i>£55 CC core, £25 CC fringe, £15 elsewhere</i>
<b>Plymouth</b>	<i>Adopted</i>	<i>£100 superstores, all other exempt</i>	<i>£30 and £zero</i>	<i>zero</i>
<b>Bristol</b>	<i>Adopted</i>	<i>£120</i>	<i>£50 and £70</i>	<i>zero</i>
<b>Portsmouth</b>	<i>Adopted</i>	<i>£53 and £105</i>	<i>£105 per square metre</i>	<i>zero</i>
<b>Sheffield</b>	<i>Preliminary</i>	<i>£60 in CC, Meadowhall, major schemes</i>	<i>£20, £30, £50, £100</i>	<i>zero</i>
<b>Newcastle</b>	<i>Preliminary</i>	<i>zero, £80, £128</i>	<i>zero, £16, £88</i>	<i>£64 CC</i>
<b>Liverpool</b>	-	<i>Not yet commenced</i>	-	-
<b>Manchester</b>	-	<i>Not yet commenced</i>	-	-
<b>Nottingham</b>	-	<i>Not yet commenced</i>	-	-

## Spending and Apportionment and the Regulation 123 List

- 3.15 It should be noted that all detailed decisions on spending and priorities are not the subject of this report. There are various options available to the Council in deciding such matters, which need to be discussed in more detail and with a greater range of partners. This will be a separate workstream to the adoption of the CIL Charging Schedule.
- 3.16 A broad projection of possible future CIL revenue has been undertaken which shows it to be around £6.8m per year for the first few years. Of this figure, new housing (at full Core Strategy targets) could raise approximately £3.14m in 2014 going up to £7.05m in 2019 (due to the level of extant permissions which exist prior to the CIL being adopted). This is higher than current S106 average receipts of £3.5m per year. However, it does not take into account where schemes would not be liable for CIL due to conversion or demolition, which would reduce the total accordingly. For non-residential floorspace the annual CIL could be £1.75m (based on projecting forwards the completions as set out in the Authority Monitoring Report 2012) although again this does not reduce revenue to take into account where CIL will not be liable due to conversion/ demolition.

- 3.17 As required by the Regulations, a 'funding gap' has been demonstrated for which the CIL would be suitable to contribute towards. This is based on the Infrastructure Delivery Plan and in summary an overall funding gap of £1.24 billion is identified for the Leeds District up to 2028. This is provided in Appendix 3 and is an update of the funding gap paper which supported the Preliminary Draft Charging Schedule. Clearly therefore the CIL is only a very small contributor, and the entire CIL revenue will not fund even the necessary new school places, let alone all the other infrastructure needs across the District. Spending expectations therefore need to be managed, although it should also be noted that this situation is no different to the current S106 regime which at present also does not cover the full infrastructure costs of new development.
- 3.18 The spending issue relating to the Charging Schedule is the Regulation 123 List, which following revised guidance in April 2013 is now required to be presented for consultation at the Draft Charging Schedule stage. Currently the Council requires developments to pay a 'tariff style' S106 contribution for greenspace, education, and public transport improvements. Under the CIL this will no longer be possible (other than up to five S106 obligations which could pay for one infrastructure item). Therefore CIL Regulation 123 requires the Council to set out a list of those projects or types of infrastructure that it intends will be, or may be, wholly or partly funded through the CIL. In order to ensure that individual developments are not charged for the same infrastructure items through both S106 and the CIL, a S106 contribution cannot then be made towards an item already on the List.
- 3.19 The proposed Draft Reg123 List is attached in Appendix 2. The CIL can only be spent on infrastructure identified on the List. However, it should be noted that the Reg123 List does not identify priorities for spending within it, or any apportionment of the CIL funds across the District. Inclusion on the List does not mean that the Council must fund all the items listed. Actual spend can be determined on an ongoing basis and it is in theory open to the Council to concentrate CIL funds on a single area of infrastructure. The List can be changed and updated as necessary, with appropriate justification.

#### Next Steps

- 3.20 Subject to any modifications requested by Development Plan Panel it is intended to present the Draft Charging Schedule to Executive Board on 9<sup>th</sup> October. Subject to approval by Executive Board the intention is to commence the formal 6 weeks of public consultation by the end of October in order to start consultation on the Draft Charging Schedule before amended Regulations come into force. This will be followed by Examination in early 2014 (subject to progress of the Core Strategy and capacity of the Planning Inspectorate). It is currently intended to adopt the CIL by April 2014 following resolution by Full Council, although this may move back slightly if the Government announces its intention to move back the deadline from which S106s can no longer be pooled. This would allow the property industry and the Council more prior notice to determine outstanding planning applications/S106s ahead of adoption of the CIL.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Executive Board agreed to implement a CIL for Leeds in December 2011, and Members have been kept aware of ongoing work since then, particularly through specific Member briefings in December 2012 and various meetings of the Development Plan Panel.
- 4.1.2 Executive Board on 15<sup>th</sup> February 2013 approved consultation on the Preliminary Draft Charging Schedule, which was undertaken in accordance with the City Council's adopted Statement of Community Involvement (SCI) and the CIL Regulations and ran from 27<sup>th</sup> March to 15<sup>th</sup> May 2013. This included directly notifying all Members of the proposals.
- 4.1.3 The Economic Viability Study as the key piece of evidence to inform the CIL included informal consultation with the development industry with a stakeholder workshop in September 2012, and with neighbouring authorities through ongoing meetings and discussions. There will be a further 6 week public consultation period on the Draft Charging Schedule from October 2013 following approval by Executive Board on the 9<sup>th</sup> October.

## **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality Impact Assessment Screening was undertaken for Executive Board in February 2013 to help determine the recommendations for the CIL Preliminary Draft Charging Schedule. A draft of the Screening Report was also attached to the Development Plan Panel report December 2012 for front loading of information. The screening has been updated in August 2013 for the current stage of the CIL and is attached in Appendix 5; there have been no changes in its conclusions since the previous version.
- 4.2.2 The Screening set out that there are three elements in considering equality in the Community Infrastructure Levy (CIL) charge setting process:
  - 1) Equal and fair consultation throughout the charge setting process.
  - 2) Equality for those who will have to pay the charge.
  - 3) Equality as a result of decisions on spending the CIL and subsequent service and infrastructure delivery (which links back to a certain extent to the geographical locations where it is charged).
- 4.2.3 The consideration of most relevance to equality, diversity, cohesion, and integration will be relating to the choices to be made in spending the CIL, based to a large extent on geographical differences including infrastructure needs. This includes the 'meaningful proportion' to be given to the community for spending. The impacts would arise at the point at which money has been secured through CIL and new or improved infrastructure is actually delivered; they would not arise directly as a result of the Charging Schedule itself. Such matters will also involve consultation and agreement with a wide range of stakeholders, and equality and cohesion will need to be fully integrated into decision making as there will likely be disproportionate impacts and mitigation. Therefore as the decisions to be taken on governance, spending, and service delivery are to be considered as a separate process to the approval and adoption of the CIL Charging Schedule, the Screening was primarily concerned with the first two elements set out above. Another formal Screening is likely to be required at the point of decision making on spending.

4.2.4 The conclusions in relation to the screening are that overall the CIL will be a benefit for the people of the District, and that no impacts are identified that cannot be mitigated against. The key mitigation was in considering whether to set a nominal CIL charge against all types of development in all locations to ensure that every community can benefit from local growth, and this was agreed. The public consultation stages ensure that interested parties have an opportunity to comment and to influence the Draft Charging Schedule.

### **4.3 Council Policies and City Priorities**

4.3.1 The CIL is a process which local authorities can use, as supported by the CIL Regulations 2010 (and Amendment Regulations 2011 and 2012). The CIL will be a document within the Local Development Framework. The intention to develop the CIL broadly reflects Council policies and City priorities in that it emphasises incentivising growth, both to the development industry and local communities.

### **4.4 Resources and Value for Money**

4.4.1 Executive Board gave agreement in December 2011 to progress work on the CIL, including the release of the necessary funds. The Government recognises that costs will be incurred and so the Regulations allow set up and administration costs to be reclaimed from future CIL receipts. The implementation of the CIL in Leeds is expected to result in increased funding for strategic infrastructure across the District, alongside the context of a reduction in the current use of S106s from April 2014. The impetus to deliver the CIL as early as possible would therefore provide the most value for money.

### **4.5 Legal Implications, Access to Information and Call In**

The Community Infrastructure Levy Regulations (2010 as amended 2011, 2012, and 2013) set out that a charging authority can choose to charge the CIL on new development in its area. The charges must be set out in a Charging Schedule, and must be based on viability evidence. The CIL Regulations have also changed the use of S106 planning obligations. From April 2014 it will no longer be possible to secure S106s for District wide requirements such as greenspace, transport schemes and education facilities. Development Plan Panel provides recommendations to the Executive Board and therefore this current report is not subject to call in.

### **4.6 Risk Management**

4.6.1 If the CIL is not brought forward in Leeds, then the Council is at risk of losing out on monies which under the present system are gained through the S106 mechanism, as this system will no longer be available. In order to manage this risk it is recommended that Officers continue to progress the CIL to Draft Charging Schedule stage as outlined in this report. The preparation of the CIL is a challenging process within the context of ongoing national changes to the Regulations, limited precedents nationally, and in responding to local issues and priorities. Consequently at the appropriate time advice is sought from a number of sources, including legal and that from the Planning Advisory Service, Planning Officers Society, and neighbouring authorities as a method to help manage risk and to keep the process moving forward.



## **5 Conclusions**

- 5.1 Following the CIL Preliminary Draft consultation this report suggests a number of proposed changes to the CIL Draft Charging Schedule, supported by further background information and analysis. It is considered that the rates now proposed are an appropriate balance based on sound evidence, and contribute positively to the development plan by gaining new infrastructure funding and not threatening the viability of growth and development as a whole.
- 5.2 The Draft Charging Schedule, the Regulation 123 List, and associated evidence documents including the full response to the individual representations are provided as appendices.

## **6 Recommendations**

- 6.1 Development Plan Panel is requested to:
- iii) Agree the content of the Draft Charging Schedule, in order to present the Panel's recommendation for approval at Executive Board.
  - iv) Agree the scope of the evidence base and associated documents supporting the setting of the CIL rates, including the Regulation 123 List, in order to present the Panel's recommendation for approval at Executive Board.

## **7 Background documents<sup>1</sup>**

- 7.1 There are no background documents associated with this report.

## **APPENDICES**

- 1. Draft Charging Schedule**
- 2. Draft Regulation 123 List**
- 3. Justification for the Leeds CIL:**
  - **Evolution of Housing Charging Zones (August 2013).**
  - **Further Evidence on Retail Rates (August 2013).**
  - **Achievement of Affordable Housing Targets (August 2013).**
  - **Infrastructure Funding Gap (Update) (August 2013)**
- 4. Leeds City Council Responses to Representations on the CIL Preliminary Draft Charging Schedule**
- 5. Equality Impact Screening for the Leeds CIL Draft Charging Schedule (August 2013)**

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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# **Development Plan Panel Report 27<sup>th</sup> August 2013**

## **APPENDICES**

- 1. Draft Charging Schedule**
- 2. Draft Regulation 123 List**
- 3. Justification for the Leeds CIL:**
  - Evolution of Housing Charging Zones (August 2013).**
  - Further Evidence on Retail Rates (August 2013).**
  - Achievement of Affordable Housing Targets (August 2013).**
  - Infrastructure Funding Gap (Update) (August 2013)**
- 4. Leeds City Council Responses to Representations on the CIL Preliminary Draft Charging Schedule**
- 5. Equality Impact Screening for the Leeds CIL Draft Charging Schedule (August 2013)**



**LEEDS CITY COUNCIL**

**COMMUNITY INFRASTRUCTURE LEVY**

**DRAFT CHARGING SCHEDULE**

*DATE (tbc October 2013)*

Under the Planning Act 2008 and  
Community Infrastructure Levy Regulations 2010 (as amended)

## **HAVE YOUR SAY**

Leeds City Council is consulting on the Community Infrastructure Levy Preliminary Draft Charging Schedule from xxx 2013 to xxx 2013 (5.00pm). The Draft Charging Schedule and supporting documents are available for inspection at the following locations:

- § Development Enquiry Centre, Development Department, Leonardo Building, 2 Rossington Street, Leeds, LS2 8HD (Monday – Friday 8:30am – 5pm, Wednesday 9:30am – 5pm)
- § All libraries across the Leeds District
- § All One Stop Centres across the Leeds District

These documents are also published on the Council's website:

<http://www.leeds.gov.uk/council/Pages/Community-Infrastructure-L Levy.aspx>

Paper copies can be requested from the address below:

Leeds Community Infrastructure Levy	Email: LDF@Leeds.gov.uk
Forward Planning and Implementation	Phone: CIL team – 0113 24 78076
Leeds City Council	
Leonardo Building, 2 Rossington Street	
Leeds, LS2 8HD	

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*Leeds City Council is a charging authority for the purposes of Part 11 Section 206 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy in respect of development in the Leeds District.*

*CIL will be applied to the chargeable floorspace of all new development apart from that exempt under Part 2 and Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended by the CIL Regulations 2011, 2012, and 2013)*

## **i. Statement of Statutory Compliance**

*The CIL Draft Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012 and 2013) and Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011). In setting the levy rates, Leeds City Council considers it has struck an appropriate balance between;*

- a) the desirability of funding from CIL in whole or in part the actual and 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 of development across the Leeds District.*

*This Charging Schedule was approved by Leeds City Council on [date to be inserted following examination]*

*This Charging Schedule will come into effect on [date to be inserted following the examination and full Council approval]*

### **1.0 Introduction**

- 1.1 This is the Draft Charging Schedule for the Leeds Community Infrastructure Levy (CIL). As well as the proposed Charging Schedule itself, this document provides a brief background, and explains general principles of the CIL and its links to Section 106 planning obligations.
- 1.2 The Charging Schedule will sit within the Leeds Local Development Framework, but will not form part of the statutory development plan.

### **The CIL in Leeds**

- 1.3 The CIL is a tariff system that local authorities can choose to charge on new developments in their area by setting a Charging Schedule. The CIL is a charge levied on new buildings and extensions to buildings according to their floor area. In this way money is raised from developments to help the Council pay for infrastructure such as schools, public transport improvements, greenspace, highways, and other facilities to ensure sustainable growth. It can only be spent on infrastructure needs as a result of new growth and will be a mandatory charge. From The CIL will replace the Leeds Section 106 'tariff' approaches which are currently used for this purpose. S106s will continue to be used for affordable housing and anything required for the specific development site to make it acceptable in planning terms. The CIL should not be set at such a level that it risks the delivery of the development plan, and has to be based on viability evidence.
- 1.4 The purpose of this document is to set out the CIL Draft Charging Schedule for Leeds City Council. It has been prepared in accordance with the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 as amended by the Community Infrastructure Levy (Amendment) Regulations 2011, 2012, and 2013.

- 1.5 The CIL will help to deliver the Leeds Core Strategy (and Site Allocations Plan once adopted) by bringing in funding for infrastructure to support new growth. It is set at rates which are considered will not deter the development and growth as set out in the Core Strategy, or impact on affordable housing provision. The rates have been set taking into account the cumulative effect of all the Leeds planning policies and other national regulatory requirements.

#### Who will pay the CIL and how will it be collected?

- 1.6 The levy's charges will become due from the date that a chargeable development is commenced. The definition of commencement of development for the levy's purposes is the same as that used in planning legislation, unless planning permission has been granted after commencement. When planning permission is granted, the Council will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.
- 1.7 The owner of the land is liable to pay the CIL, unless another party claims liability, i.e. a prospective developer / purchaser. This is in keeping with the principle that those who benefit financially when planning permission is given should share some of that gain with the community. That benefit is transferred when the land is sold with planning permission, which also runs with the land. The CIL can also be paid to the Council 'in kind' through the transfer of land.

#### What will the CIL be spent on and where?

- 1.8 'Infrastructure' has a very wide definition and includes transport, flood defences, schools, health and social care facilities, parks and green spaces, cultural and sports facilities as well as maintenance and improvement of facilities affected by development. The Regulations specify that CIL cannot be spent on affordable housing, and must only be spent on infrastructure required as a result of new growth.
- 1.9 The Draft Charging Schedule is primarily concerned with the rates the CIL is to be set at, rather than the Council's mechanisms for allocating the CIL revenue and the specific infrastructure items which it will contribute towards. The Government's 'CIL Guidance' (April 2013) sets out the need to consider the relationship of the CIL alongside the ongoing use of S106 agreements. The Council has to publish on its website a list of those projects or types of infrastructure that it intends to fund through the levy, called the Regulation 123 List. On adoption of the CIL, S106 requirements will be scaled back to those matters that are directly related to a specific site, and are not set out in the Reg123 List. Annex 1 contains further discussion of the links between S106s and the CIL and the Reg123 List.
- 1.10 In prioritising the spending of the CIL, the Council will need to balance neighbourhood funding with funding of strategic infrastructure. There will need to be close working with communities through neighbourhood planning, the Site Allocations Plan, and other mechanisms to determine local infrastructure priorities. The Regulations specify that there is a duty to pass on (as a minimum) a 'meaningful proportion' of the funds raised through the levy to a parish or town council for the area where the development that gave rise to the payment takes place. This aims to



ensure that where a neighbourhood accepts new development, it receives money for infrastructure to help it manage those impacts, and the local community has control over identifying their infrastructure priorities.

- 1.11 The meaningful proportion for neighbourhoods that have an adopted neighbourhood plan is 25% of the CIL revenue from that area. Areas without a neighbourhood plan will receive 15% of the revenue, and this will be capped at £100 per existing dwelling in that area. The meaningful proportion is not tied to the Reg123 List but can be spent on:
  - (a) “The provision, improvement, replacement, operation or maintenance of infrastructure; or,
  - (b) Anything else that is concerned with addressing the demands that development places on an area” (Regulation 59C).
- 1.12 Where development crosses more than one parish council’s boundary, each council will receive a proportionate amount of the levy payment based on how much development is located within their area. Where there is no town or parish council the City Council has to spend it in the local area in consultation with the community.
- 1.13 There is a clear link to the emerging Site Allocations Plan, which will set out the infrastructure requirements in relation to newly proposed sites, and will be subject to various stages of formal public consultation. It is also assumed that neighbourhood plans (and other community led and locally identified plans and proposals) will set out the community’s priorities for infrastructure needs and spending. Spending by the City Council will also require identification of infrastructure priorities which will be informed by the Council’s Infrastructure Delivery Plan and the capital spending programme, which in turn is informed by the delivery and spending plans of many other agencies and infrastructure providers.

## **2.0 Evidence for the Draft Charging Schedule**

- 2.1 The development of the Draft Charging Schedule has been informed by a range of evidence. All the evidence base documents can be downloaded from [www.leeds.gov.uk/ldf](http://www.leeds.gov.uk/ldf) (follow the link to the CIL page). Published alongside the Preliminary Draft stage were the following:
  - Justification for the Leeds CIL – Infrastructure Funding Gap (January 2013).
  - Leeds Community Infrastructure Levy Economic Viability Study (GVA, January 2013).
  - Justification for the Leeds CIL – Section 106 Data (January 2013).
  - Justification for the Leeds CIL – City Centre Office Evidence (January 2013).

New documents to support the Draft Charging Schedule are as follows:

- Infrastructure Delivery Plan (April 2013, supporting the Core Strategy Submission).
- Leeds City Council Responses to Representations on the Preliminary Draft Charging Schedule.
- Justification for the Leeds CIL – Evolution of Housing Charging Zones (August 2013).
- Justification for the Leeds CIL – Further Evidence on Retail Rates (August 2013).
- Justification for the Leeds CIL – Achievement of Affordable Housing Targets (August 2013).

- Justification for the Leeds CIL – Infrastructure Funding Gap (Update) (August 2013)
- Regulation 123 List.

### **a) The Infrastructure Delivery Plan and Identifying the Funding Gap**

- 2.2 The Council published its Infrastructure Delivery Plan (IDP) in April 2013 to support the Submission of the Core Strategy for Examination. The IDP identifies the City's social, physical and green infrastructure needs. It was put together in partnership with external infrastructure providers, and focuses on the infrastructure needed to support the new development planned for through the Core Strategy. The IDP is intended to be a 'living' document which will be updated as necessary.
- 2.3 To demonstrate a CIL funding gap as required by the Regulations, the IDP has been reviewed to identify whether the CIL was an appropriate tool for plugging any gaps, with projects removed where full funding is already identified, or where the item is not within the Regulations' definition for CIL spending (i.e. to meet new growth). This review resulted in the much shorter list of infrastructure items, as set out in the separate justification paper 'Infrastructure Funding Gap (Update)' (August 2013). This provides the best available information at the present time on the funding gap for the infrastructure needed to support planned development in the City, and for which CIL is a suitable mechanism for contributing to filling that gap.
- 2.4 The CIL guidance recognises that it is inevitable that predicting future infrastructure funding sources for the longer term contains uncertainties, and the Funding Gap paper sets out these caveats and assumptions. Infrastructure requirements and costs may change over the plan period and will be updated accordingly in future revisions of the IDP or supporting CIL documentation. In summary, an overall 'funding gap' of £1.24 billion has been identified for the Leeds District up to 2028.
- 2.5 A broad projection of possible future CIL revenue has been undertaken which shows that for residential floorspace based on achieving the Core Strategy housing targets this could be approximately £3.14m in 2014 going up to £7.05m in 2019 (due to the level of extant permissions which exist prior to the CIL being adopted). This is higher than that from current S106 actual receipts and S106s signed. However, it does not take into account where schemes would not be liable for CIL due to conversion or demolition, which would reduce the total accordingly. For non-residential floorspace, (based on projecting forwards the completions as set out in the Authority Monitoring Report 2012), the annual CIL is approximately £1.75m although again this does not reduce revenue to take into account where CIL will not be liable due to conversion/ demolition.

### **b) Economic Viability Study**

- 2.6 Consultants GVA were appointed to undertake the key piece of evidence to inform the CIL, an Economic Viability Study (EVS). GVA in discussion with the City Council agreed the various assumptions and inputs to be used in the Study. They tested a range of uses across the District using a residual appraisals methodology of hypothetical sites based on appropriate sample sizes and typologies. This took into account the Council's policy requirements (including those in the emerging Core Strategy), such as for affordable housing, greenspace, and Code for Sustainable

Homes. The methodology was in line with Government CIL Guidance, the Harman Report (Viability Testing Local Plans), and Royal Institute of Chartered Surveyors Guidance on Financial Viability in Planning.

- 2.7 Provided the effects of introducing design standards and policy requirements, including CIL, do not result in a reduction in land values of more than 25% it is the Study's view that landowners will not ultimately withhold their land from the development market beyond the immediate period when the CIL is introduced. To inform the EVS a development industry workshop was held to discuss the methodology and detailed assumptions. The EVS includes contingencies and 'viability cushions' within its assumptions, and recommends the maximum CIL rates which could be set across a range of development types, including five residential zones and a City Centre zone for retail and offices.
- 2.8 Residential care homes, student accommodation, and employment uses were specifically modelled but show that a CIL rate would not be viable. Hotels were also shown not to be viable but that was more because it is not appropriate to apply a residual appraisal methodology. It was not anticipated that there will be a significant provision in the market for new build of other uses not discussed previously. There are also no allocations made for these uses in the Core Strategy. Therefore these uses were not modelled in the viability assessment and the EVS suggests they should be subject to a zero CIL charge.

### **c) Finding the Appropriate Balance**

- 2.9 The key findings of the Economic Viability Study are the suggested maximum CIL rates which could be set across a range of development types. Other evidence and wider considerations were then assessed alongside to justify the appropriate balance in where to set the rates. This is a matter of judgement for the Council, bearing in mind the aims to both gain sufficient funding to make a contribution towards the infrastructure needed to support growth and thereby contribute positively towards the delivery of the Core Strategy, but to not set the rates so high that they could threaten the viability of growth and development as a whole. "Charging authorities should avoid setting a charge right up to the margin of economic viability across the vast majority of sites in their area. Charging authorities should show, using appropriate available evidence, including existing published data, that their proposed charging rates will contribute positively towards and not threaten delivery of the relevant Plan as a whole" (Paragraph 30, CIL Guidance April 2013).
- 2.10 The impact on affordable housing also needs to be considered, as once adopted the CIL will not be negotiable, whereas affordable housing will remain negotiable and therefore there will be pressure to reduce provision where schemes are not viable. The assumptions in the EVS modelling included the full provision of the affordable housing targets across the District and the associated proportions of social rented/sub market. Therefore the CIL will help to deliver the Core Strategy by bringing in infrastructure funding without impacting on the affordable housing policy which is a key strand of the development plan and meeting housing needs in the District. The justification paper 'Achievement of Affordable Housing Targets' (August 2013) gives recent affordable housing completions as required by the CIL Guidance paragraph 22. There is also the relationship to consider between the CIL and the New Homes Bonus and business rates, as clearly if the CIL does deter new

development then the Council also loses out on those annual payments which would further reduce infrastructure funding.

- 2.11 The CIL rates have therefore been set at a level which is expected to continue to encourage the overall growth of the District and not harm the overall viability of development in Leeds in this current difficult economic period. An early review of the CIL rates is likely based on annual monitoring or any major economic changes. A range of evidence is discussed in the remainder of this section to briefly explain how the final rates have been determined.
- 2.12 The 'Justification for the Leeds CIL – Section 106 Data' paper provides further detail on historic signed S106s and S106 receipts, broken down by type of S106 (i.e. education, public transport improvements, greenspace etc.) and by floorspace. This information fed into the EVS assumptions, and was also a valuable input in considering the appropriate balance in setting the CIL rates. The impact of the current recession has to be borne in mind in making assumptions about the continuation of these trends but the data is the best available. It shows that even in areas or types of development where the EVS shows schemes are generally unviable, some schemes have come forward with signed S106s. This is borne out by recent planning applications and application enquiries. Therefore matching the demonstrated performance of S106 agreements is the very least that should be considered, on the basis that this is a level which is viable. The key conclusion is that a wide range of use types currently pay S106 contributions of more than £5 psm and therefore this is justified as a nominal rate. This is 'real life' evidence to balance against the EVS which is necessarily more hypothetical and strategic in approach and does not look at individual schemes. In addition, £5 psm is a very small % of the total development costs and is therefore very unlikely to be the deciding factor as to whether a development becomes viable or not.
- 2.13 Paragraph 39 of the CIL Guidance states "If the evidence shows that their area includes a zone or use of development of low, very low or zero viability, charging authorities should consider setting a low or zero levy rate in that area or for that use (consistent with the evidence)." If authorities were required to only set a zero rate where the EVS showed zero viability this would be set out explicitly, but paragraph 39 is clear that it is possible to also set a low levy rate in such situations. This £5 rate will also not only bring in more revenue overall, but will mean that local development would bring local benefits through providing a meaningful proportion to all local communities. It is not appropriate to set this nominal charge against community uses or not for profit.
- 2.14 The residential CIL rates are 10% below the maximum rates (where higher than zero) in the Viability Study. This is considered to be a reasonable reduction from the EVS maximum viability as required by the CIL guidance, but reflects the Council's confidence in the methodology and assumptions used in the EVS to determine accurate testing of the viability of the current market. In particular, the EVS already includes contingencies and viability cushions within its modelling including an overall 5% contingency rate, and includes that generally rates have been set to reflect brownfield rather than greenfield land, i.e. the lowest common denominator (other than residential in the Outer Northern and Outer Southern areas). Therefore the Council considers that adding a further reduction beyond the 10% would be 'double counting'.

- 2.15 The CIL has to be presented on an OS map base. The broad residential zone boundaries used in the EVS have been slightly refined based on local knowledge, the need to follow physical attributes, and the detail of specific sites and where larger sites may be split across two zones. This has been balanced against the viability considerations including affordable housing zones. The 'Evolution of Housing Charging Zones' justification paper (August 2013) provides a detailed explanation of the zone boundaries used including the links to previous studies, and how and why they have evolved in their current form.
- 2.16 In relation to offices, it is acknowledged that there has not been a major office completion in Leeds since 2007. The market conditions remain fragile and the CIL levy needs to reflect this and the aspiration set out in the Core Strategy to promote economic growth and direct offices to the City Centre. The background paper 'City Centre Offices (January 2013) assessed key Leeds City Centre office schemes against current S106 and potential CIL charges for comparison, including impact on land values. The office market was also compared against other city centres and compares the CIL as a percentage of overall development costs. The Guidance does recognise that not all developments will be viable under a CIL regime and that rates should not be set by reference to individual developments. However, in particular for town and City Centre brownfield sites unless the CIL is set at a reasonable rate, it may continue to be more profitable to maintain a site in an alternative use, in particular for surface parking. The conclusion of this evidence alongside the judgement of ongoing economic factors is that the City Centre office rate is set at £35 psm (compared to the £100 psm maximum suggested in the EVS).
- 2.17 In relation to retail, similar principles apply in relation to alternative uses and the 'Further Evidence on Retail Rates' justification paper (August 2013) also provides detailed evidence of a 'cross check' of values and potential CIL charges for specific developments and sites. There is a rapidly changing retail market including a move to online stores; a greater use of the internet for supermarket shops; a reduction in the weekly supermarket spend; the sector rationalising its store presence; and the continuation of chains going into administration. The enabling/regeneration qualities of retail developments was reflected in the Viability Study, but in also awaiting the impact of Trinity and Victoria Gate in the City Centre, it is appropriate to provide more of a viability cushion to this sector as a whole. The major food retailers have cut back on their requirements and land values in 2013 as a result of the recession, which postdates the Viability Study and the rates in the Preliminary Draft Charging Schedule. A consideration of all these factors has resulted in the judgement for the retail rates to have a larger reduction from the potential maximum than for the residential rates, to separate out convenience and comparison, and an increase in the minimum size charged for comparison retail from 500 sqm to 1,000 sqm.

### **3.0 THE DRAFT CHARGING SCHEDULE**

- 3.1 The CIL will be charged on the net additional floor area (gross internal area), i.e. after the area of any demolished buildings has been deducted. It will be levied in pounds per square metre.
- 3.2 CIL will be applied on the chargeable floor space of all new development apart from that exempt under the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012 and 2013) and specifically Part 2 and Part 6. These exemptions from the CIL rates are:
- a) Where the gross internal area of a new buildings or extensions to buildings will be less than 100 square metres (other than where the development will comprise one or more dwellings);
  - b) A building into which people do not normally go;
  - c) A building into which people go only intermittently for the purpose of maintaining or inspecting machinery;
  - d) A building for which planning permission was granted for a limited period;
  - e) Development by charities of their own land to be used wholly or mainly for their charitable purposes;
  - f) Social Housing;
  - g) Floorspace resulting from change of use development where the building has been in continuous lawful use for at least six months in the twelve months prior to the development being permitted;
- 3.3 The Council has chosen to adopt an Instalments Policy, which allows developers to pay their CIL charges in phased stages. This is set out in Annex 2.
- 3.4 The Council has chosen to adopt an Exceptional Circumstances Policy, whereby developers can request through a viability appraisal for some or all of the CIL charge to be waived. It is set out in Annex 3 and has very narrow criteria; that the development would pay a higher S106 charge than the total CIL charge, and that the relief would not constitute State Aid.

<b>Type of development in Leeds</b>	<b>CIL Charge per square meter</b>
Residential – City Centre	<b>£5</b>
Residential – Inner	<b>£5</b>
Residential – Outer	<b>£23</b>
Residential – South	<b>£45</b>
Residential – North	<b>£90</b>
Convenience Retail ≥ 500 sqm in City Centre	<b>£110</b>
Convenience Retail ≥ 500 sqm outside of City Centre	<b>£175</b>
Comparison Retail ≥ 1,000 sqm in City Centre	<b>£35</b>
Comparison Retail ≥ 1,000 sqm outside of City Centre	<b>£55</b>
Offices in City Centre	<b>£35</b>
Development by a predominantly publicly funded or not for profit organisation, including sports and leisure centres, medical or health services, community facilities, and education	<b>Zero</b>
Agriculture	<b>Zero</b>
All other uses not cited above	<b>£5 /sqm</b>

- 3.5 The maps on the following pages show the charging zones. They can also be downloaded separately, along with all the evidence base documents, from <http://www.leeds.gov.uk/council/Pages/Community-Infrastructure-Levy.aspx>
- 3.6 The CIL payments are index linked to the national all-in tender price index by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.
- 3.7 The amount to be charged for each development will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012) as set out after the maps.

Calculation of chargeable amount

*Extract from the Community Infrastructure Levy Regulations 2010 (as amended by the Amendment Regulations 2011 and 2012).*

*Regulation 40.*

- (1) *The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.*
- (2) *The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.*
- (3) *But where that amount is less than £50 the chargeable amount is deemed to be zero.*
- (4) *The relevant rates are the rates at which CIL is chargeable in respect of the chargeable development taken from the charging schedules which are in effect:*  
 (a) *at the time planning permission first permits the chargeable development; and*  
 (b) *in the area in which the chargeable development will be situated.*
- (5) *The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula:*

$$\frac{R \times A \times I_p}{I_c}$$

Where -

- § *A = the deemed net area chargeable at rate R;*
- § *I<sub>p</sub> = the index figure for the year in which planning permission was granted; and*
- § *I<sub>c</sub> = the index figure for the year in which the charging schedule containing rate R took effect.*

- (6) *The value of A in paragraph (5) must be calculated by applying the following Formula:*

$$GR - KR - \left( \frac{GR \times E}{G} \right)$$

Where:

- § *G = the gross internal area of the chargeable development;*
- § *GR = the gross internal area of the part of the development chargeable at rate R;*
- § *E = an amount equal to the aggregate of the gross internal areas of all buildings which:*  
 (a) *on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and*  
 (b) *are to be demolished before completion of the chargeable development; and*
- § *KR = an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build) on completion of the chargeable development which -*  
 (a) *on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and*  
 (b) *will be part of the chargeable development upon completion; and*  
 (c) *will be chargeable at rate R.*

*(7) The index referred to in paragraph (5) is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year.*

*(8) But in the event that the All-in Tender Price Index ceases to be published, the index referred to in paragraph (5) is the retail prices index; and the figure for a given year is the figure for November of the preceding year.*

*(9) Where the collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish:*

*(a) the gross internal area of a building situated on the relevant land; or*

*(b) whether a building situated on the relevant land is in lawful use, the collecting authority may deem the gross internal area of the building to be zero.*

*(10) For the purposes of this regulation a building is in use if a part of that building has been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.*

*(11) In this regulation “building” does not include:*

*(a) a building into which people do not normally go;*

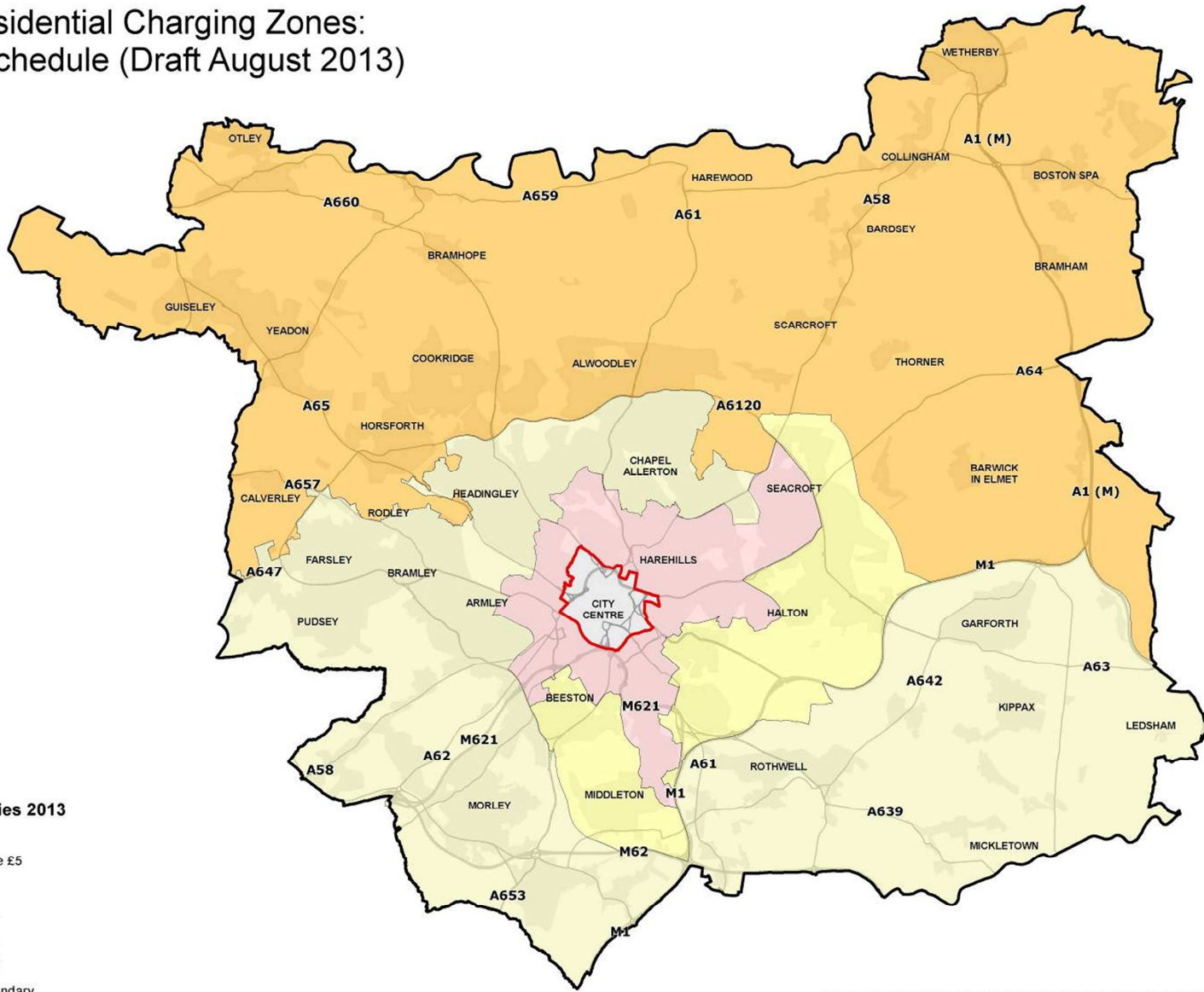
*(b) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or*

*(c) a building for which planning permission was granted for a limited period.*

*(12) In this regulation “new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings.*



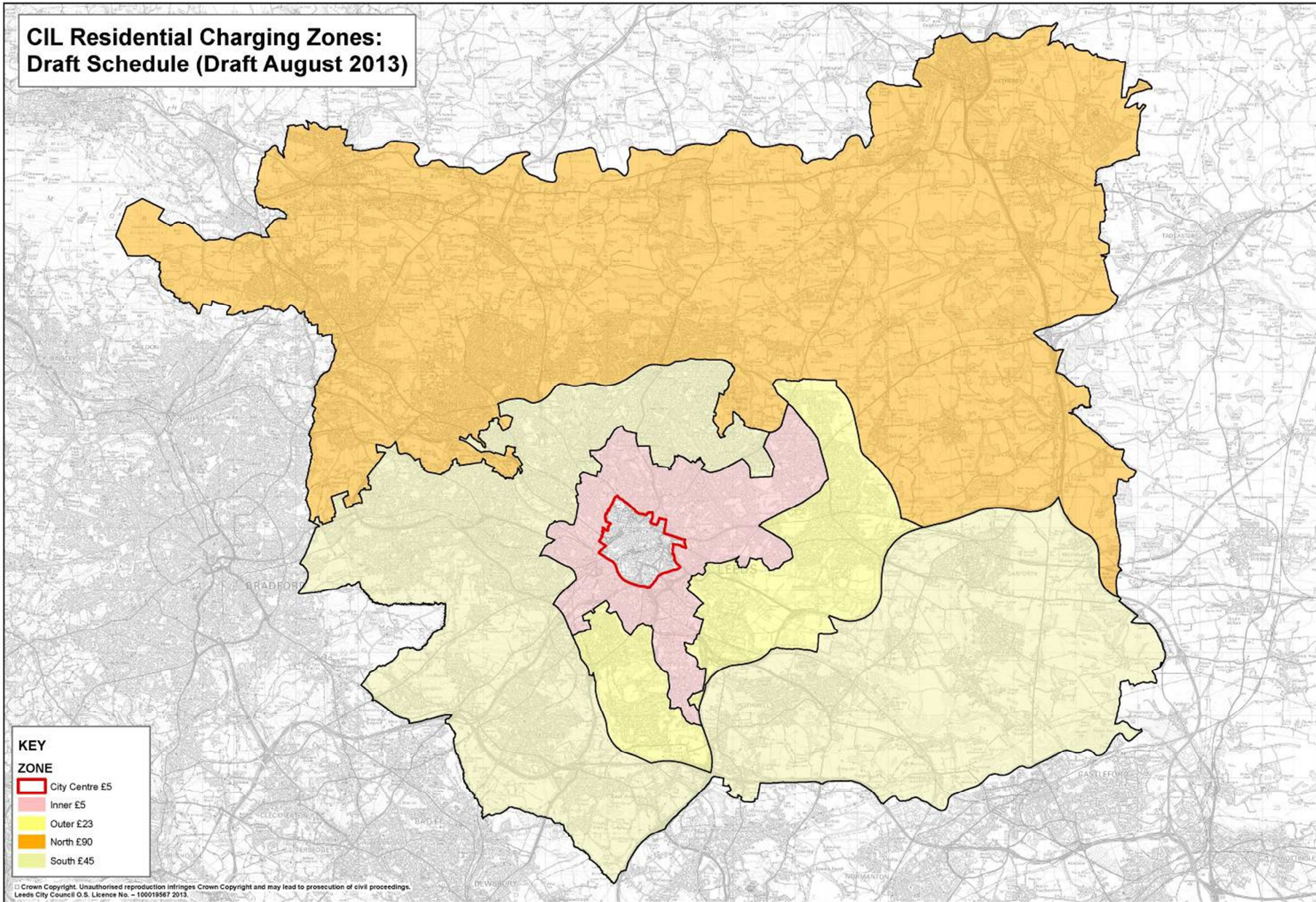
# CIL Residential Charging Zones: Draft Schedule (Draft August 2013)



- Key**
- CIL Boundaries 2013**
- ZONE**
- City Centre £5
  - Inner £5
  - Outer £23
  - North £90
  - South £45
  - Leeds Boundary

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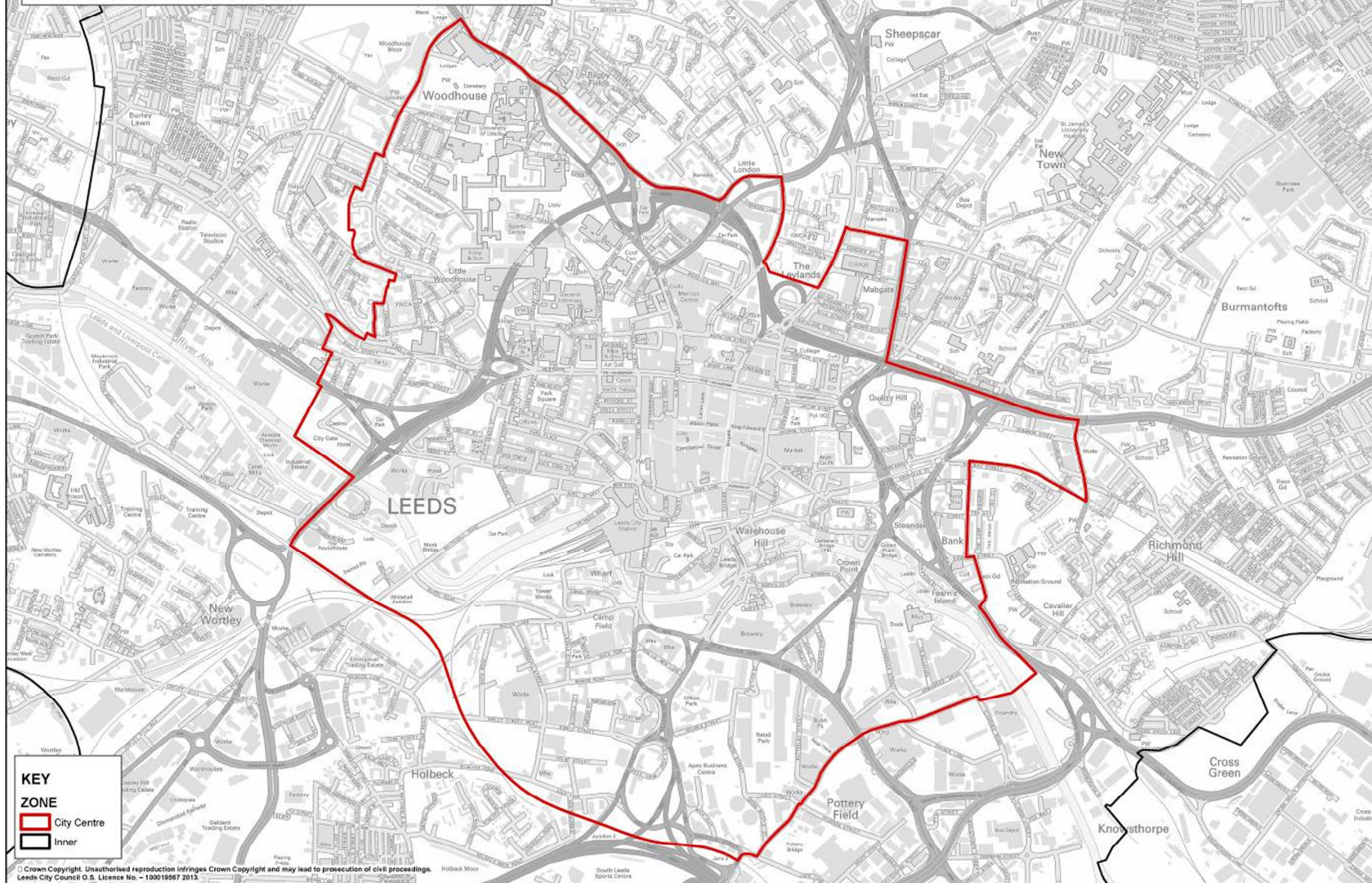
**CIL Residential Charging Zones:  
Draft Schedule (Draft August 2013)**



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last updated 14/08/2013



# CIL City Centre Charging Zone (August 2013)



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last updated 14/08/2013

#### **4.0 How to comment on the CIL Draft Charging Schedule**

- 4.1 If you have any comments on the Leeds Draft Charging Schedule please write to the following address by **5.00pm on xxx 2013**.
- 4.2 You should also include in your representation whether you wish to be heard by the examiner at the inquiry. If you do not make this request within the time period then the Regulations do not permit you to speak at the inquiry.

Leeds Community Infrastructure Levy                      Email: LDF@Leeds.gov.uk  
Forward Planning and Implementation                  Phone: CIL team – 0113 24 78076  
Leeds City Council  
Leonardo Building, 2 Rossington Street  
Leeds, LS2 8HD

- 4.3 The relevant documents are published on the Council's website:  
<http://www.leeds.gov.uk/council/Pages/Community-Infrastructure-Levy.aspx>
- 4.4 The Draft Charging Schedule is intended to be submitted for Examination in early 2014 with the independent examination taking place shortly afterwards. The Examiner can approve or reject the Schedule, or suggest modifications which the Council must make if it wishes to adopt the Schedule. The CIL Charging Schedule has to be approved for adoption by resolution of Full Council. It is intended to start charging the CIL on xxx date *[tbc once progressed through examination but currently April 2014]*.
- 4.5 Applicants with pending planning applications including those with S106s still to be concluded need to be aware of this timetable in determining their approach. If applications are not approved (including S106s signed) by the date that the CIL is adopted then they will become CIL liable and any associated draft S106 will need to be re-negotiated.

## **ANNEX 1 – RELATIONSHIP BETWEEN THE CIL AND SECTION 106 AGREEMENTS**

After adoption of the Leeds CIL or from April 2014 (whichever is sooner) the Regulations scale back and limit the use of S106s. The Government's intention is to break the link between the development of a specific site and its contribution to infrastructure provision. This is because the levy is intended to provide strategic infrastructure to support the development of an area rather than to make individual planning applications acceptable.

Therefore any infrastructure which is directly required to make development acceptable in planning terms will continue to be sought through S106s. This means S106 obligations will remain alongside CIL but will be restricted to infrastructure required to directly mitigate the impact of the proposal. The Regulations therefore restrict the use of planning obligations to ensure that no development is charged twice for the same item of infrastructure through both CIL and S106s.

Regulation 123 provides for the Council to set out a list of those projects or types of infrastructure that it intends to fund through the levy. In order to ensure that individual developments are not charged for the same infrastructure items through both S106s and the CIL, a S106 contribution cannot then be made towards an infrastructure item already on the List. The Council will publish its Reg123 List on its website and the draft Reg123 List is provided as part of the consultation on the Draft Charging Schedule. S106s can still be used to fund a specific item of infrastructure, but there is a limit of five separate obligations which can be pooled for this purpose, as it is intended that the CIL becomes the main mechanism for pooled contributions.

The Council is able to update the Reg123 List, however any changes must be justified and subject to appropriate local consultation. It is proposed to make any changes annually as a result of monitoring in the Authority Monitoring Report. The Reg123 List does not identify priorities for spending within it, or any apportionment of the CIL funds across the District, and does not mean that the Council must pay the CIL towards all the items listed as this will also depend on the amount collected. There are various options available to the Council in deciding such matters, and this is a separate workstream to the adoption of the CIL Charging Schedule.

Larger scale developments typically have larger and more concentrated impacts on the local community and infrastructure network. Under the CIL regime, there will still therefore be a need for provision of infrastructure on-site as part of the determination of a planning application. For instance, major sites are one of the main opportunities to increase the quantity of open space and will be required to provide open space on site under Core Strategy policies. Similarly, education infrastructure is an integral component of balanced sustainable communities. New housing creates a need for more school places, and these may in some instances be accommodated across the existing school network through payments from the CIL for extensions. Where a scheme in itself creates such a level of need for school places that it cannot be easily accommodated elsewhere, it follows that the site should provide the land for a school on site. On large scale major sites therefore it

is likely to be necessary to provide schools directly on site to meet the needs of the development, or it may be appropriate to locate the school on a nearby site where the school will meet the needs of a number of medium to large scale developments. In such cases an appropriate S106 contribution will be secured. The Council will ensure that these schools will not be funded through CIL receipts, that the obligations meet the statutory tests and that no more than five separate planning obligations will be secured for the same school. The Site Allocations Plan will provide more detail and will consider which large sites may require significant on site facilities and be of sufficient scale to fund these through S106 obligations.

Where CIL and S106 payments are both required viability may be taken into account through the exceptional circumstances policy (as set out in Annex 3). As it is possible for the CIL to be paid through a payment 'in kind' of land, this may be an option where it is not viable for a site to provide both CIL and on-site infrastructure through S106.

#### Payments-in-kind

The CIL Regulations allow for payments-in-kind in the form of land to be offset against the CIL liability where agreed by the Council as more desirable instead of monies. However, this must only be done with the intention of using the land to provide, or facilitate the provision of, infrastructure to support the development of the area. This could be for example where the most suitable land for the infrastructure project is within the development site.

An agreement to make an in-kind payment must be entered into before commencement of development and provided to the same timescales as cash payments. Land paid in kind may contain existing buildings and structures, and must be valued by an independent valuer who will ascertain its open market value, which will determine how much liability it will off-set.

However, where land is required within a development to provide built infrastructure to support that specific development, it will be expected that any land transfer will be at no cost to the Council and will not be accepted as a CIL payment in kind.

## **ANNEX 2 – INSTALMENTS POLICY**

The responsibility to pay the levy is with the landowner on which the proposed developed is to be situated. The regulations define the landowner as a person who owns a 'material interest' in the relevant land to be developed.

This draft Instalments Policy is made in line with Regulations 69B and 70 of the Community Infrastructure Levy Regulations 2010 (as amended by the Amendment Regulations 2011) and is as follows:

- a) This Instalments Policy takes effect on xxx date *[to be updated on adoption of the CIL]*.
- b) The CIL instalment policy calculates payment days from commencement of development on site. The Commencement date will be taken to be the date advised by the developer in the commencement notice under CIL Regulation 67.
- c) Payment of instalments are as follows:

≤ £9,999	Due in full within 2 calendar months of commencement
£10,000 to £59,999	Due in 2 equal instalments within: 3 months of commencement 6 months of commencement
£60,000 to £99,999	Due in 3 equal instalments within: 3 months of commencement 6 months of commencement 9 months of commencement
£100,000 to £499,999	Due in 4 equal instalments within: 3 months of commencement 6 months of commencement 12 months of commencement 18 months of commencement
≥ £500,000	Due in 4 equal instalments within: 6 months of commencement 12 months of commencement 24 months of commencement 30 months of commencement

- d) Where the amount of the levy payable is >£50,000 Leeds City Council may consider an in-kind payment of land. Land that is to be paid in kind may contain existing buildings and structures and must be valued by an independent valuer who will ascertain its 'open market value', which will determine how much liability the in-kind payment will offset. Payments in kind must be entered into and agreed before commencement of development. Land provided in kind must be provided to the same timescales as cash payments dependant on their value.

### **ANNEX 3 – EXCEPTIONAL CIRCUMSTANCES POLICY**

Regulations 55 to 58 allow charging authorities to set discretionary relief for exceptional circumstances. Use of an exceptional circumstances policy enables the charging authority to avoid rendering sites with specific and exceptional cost burdens unviable should exceptional circumstances arise. It is a mechanism to enable growth and deliver development where CIL and S106 conflict. Before granting relief, the Council will need to be satisfied that the costs relating to the section 106 agreement are greater than those related to the Community Infrastructure Levy, and that the relief would not constitute notifiable State Aid as set out further below.

Leeds City Council intends to have an Exceptions Policy for exceptional circumstances which will be set and agreed by development Plans Panel. The Council will have to comply with notification requirements and publish a statement confirming that relief for exceptional circumstances is available in Leeds from a specified date. The process would then be that a landowner would have to submit a claim in accordance with the Regulations. The Council may grant relief from liability to pay CIL if (a) it appears to the Council that there are exceptional circumstances which justify doing so; and (b) the Council considers it expedient to do so. The Regulations specify the requirements that must be met in making this assessment, and these are set out below:-

- Reg 55(3) A charging authority may grant relief for exceptional circumstances if –
- (a) It has made relief for exceptional circumstances available in its area;
  - (b) A planning obligation under S106 of TCPA 1990 has been entered into in respect of the planning permission which permits the chargeable development; and
  - (c) The charging authority-
    - (i) Considers that the cost of complying with the planning obligation is greater than the chargeable amount payable in respect of the chargeable development,
    - (ii) Considers that to require payment of the CIL charged by it in respect of the chargeable development would have an unacceptable impact on the economic viability of the chargeable development, and
    - (iii) Is satisfied that to grant relief would not constitute a State aid which is required to be notified to and approved by the European Commission.

The person claiming relief must be an owner of a material interest in the relevant land. A claim for relief must be submitted in writing and be received before commencement of the chargeable development. It must be accompanied by an assessment carried out by an independent person of the cost of complying with the planning obligation, the economic viability of the chargeable development, an explanation of why payment of the chargeable amount would have an unacceptable impact on the economic viability of that development, an apportionment assessment (if there is more than one material interest in the relevant land), and a declaration that the claimant has sent a copy of the completed claim form to the owners of the other material interests in the relevant land (if any).

For the purposes of the above paragraph an independent person is a person who is appointed by the claimant with the agreement of the charging authority and has appropriate qualifications and experience.

A chargeable development ceases to be eligible for relief for exceptional circumstances if before the chargeable development is commenced there is a disqualifying event. This is where the development is granted charitable or social housing relief, is disposed of, or has not been commenced within 12 months.





**LEEDS CITY COUNCIL**

**COMMUNITY INFRASTRUCTURE LEVY**

**DRAFT REGULATION 123 LIST**

**DRAFT AUGUST 2013**  
**(TO SUPPORT DRAFT CHARGING SCHEDULE)**

Regulation 123 provides for the Council to set out a list of those projects or types of infrastructure that it intends will be, or may be, wholly or partly funded through the Community Infrastructure Levy (CIL). In order to ensure that individual developments are not charged for the same infrastructure items through both Section 106 Agreements and the CIL, a S106 contribution cannot then be made towards an infrastructure item already on the List.

This draft Regulation 123 List is provided as part of the consultation on the Draft Charging Schedule.

Public transport schemes: New Generation Transport (NGT) Leeds Core cycle Network The Public Right of Way network
Highways schemes: [named schemes to be inserted after confirmation from Finance and Highways Authority / Metro of which schemes already have sufficient committed funds]
River Aire Flood Alleviation Scheme (FAS)
Secondary education
Primary education, except for large scale residential development identified in the Site Allocations Plan, which will be expected to provide primary schools either as an integral part of the development or as the result of no more than 5 separate planning obligations
Green infrastructure and public greenspace, except for on-site provision required by Core Strategy policies
Public realm improvements, except for on-site provision or where this is required as a direct result of an adjacent development
District heating networks

The Council will review this list at least once a year, as part of monitoring of CIL collection and spend, and any changes will be justified and subject to appropriate local consultation.

The R123 List does not identify priorities for spending within it, or any apportionment of the CIL funds across the District, and does not signify a commitment from the Council to fund the projects listed through the CIL.

The Council will work with local communities and parish/town councils to agree local priorities for spend. The 'meaningful proportion' held by local communities can be spent on the R123 List, but it does not have to be.

## ONGOING USE OF SECTION 106 AGREEMENTS

For clarity, the list below provides an outline of the matters which will continue to be addressed through S106 Agreements.

- Affordable housing
- Employment and skills agreements e.g. local employment or apprentice contracts
- Site specific matters needed to make the development acceptable in planning terms, including:
  - o New bus connections or services and cycle/pedestrian routes and connections if directly required by the development
  - o Local junction improvements and access into the site
  - o Metrocards, travel plans and monitoring fee / co-ordinator posts
  - o Primary schools/extensions as a direct result of large sites or groups of up to five sites identified in the Site Allocations Plan
  - o On-site greenspace and public realm improvements where this is required as a direct result of an adjacent development
  - o On-site drainage and flooding solutions
  - o On site sustainable energy requirements

## FURTHER JUSTIFICATION FOR THE COMMUNITY INFRASTRUCTURE LEVY

AUGUST 2013

### CONTENTS:

- **Evolution of Housing Charging Zones** Page 2
- **Further Evidence on Retail Rates** Page 11
- **Leeds Affordable Housing Completions** Page 14
- **Infrastructure Funding Gap (Update)** Page 15

### *JUSTIFICATION DOCUMENTS TO SUPPORT THE LEEDS CIL AT PRELIMINARY DRAFT CHARGING SCHEDULE STAGE:*

*These documents were published alongside the Leeds CIL Preliminary Draft Charging Schedule, and continue to be relevant supporting information for the Draft Charging Schedule. However, they are not reproduced again within this document and are set out below for information only.*

- *Leeds Community Infrastructure Levy Economic Viability Study (GVA, January 2013).*
- *Infrastructure Funding Gap (January 2013).*
- *Section 106 Data (January 2013).*
- *City Centre Office Evidence (January 2013).*

# EVOLUTION OF HOUSING CHARGING ZONES

## JUSTIFICATION FOR THE COMMUNITY INFRASTRUCTURE LEVY

August 2013

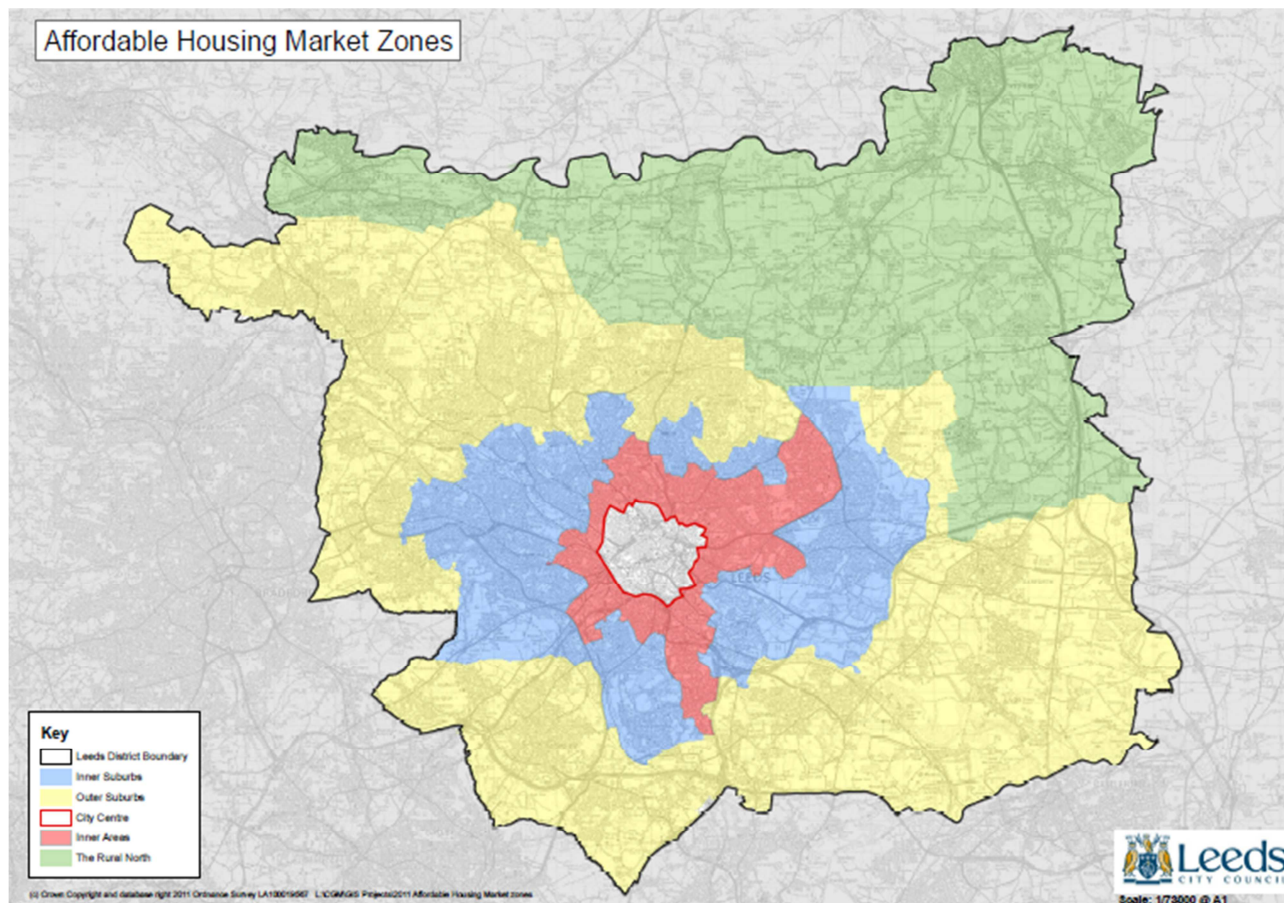
### 1.0 Introduction

1.1 This paper sets out the reasoning behind the evolution in the residential charging zones used for the CIL, and how they relate to the zones/housing areas in previous studies and the current and emerging Leeds affordable housing policy. The Council is replacing the existing Affordable Housing Supplementary Planning Guidance (SPG) and Interim Housing Policy with a new Supplementary Planning Document (SPD). For consistency this will align with the Community Infrastructure Levy (CIL) evidence and map base. There have also been changes raised as a result of the consultation on the CIL Preliminary Draft, resulting in the final CIL Draft Charging Schedule map at the end of this document.

### 2.0 Affordable Housing Policy Formulation

2.18 The SPG Annex 2005 was based upon the 'Assessment of Need for Affordable Housing' (November 2003) which split Leeds into 5 different housing market zones, (City Centre, inner city, inner suburbs, outer suburbs, outer areas/rural north).

*Figure 1 – Zones in Affordable Housing SPG Annex 2005 (and Interim Policy 2011)*



2.19 A Draft of the Affordable Housing SPD (September 2008) identified three main housing areas across the District; City Centre, the Inner Areas and the Outer Zone. Representations received stated that the Outer Zone was too large and should be split further with a north/south split, based on housing markets and characteristics. Although the SPD did not progress further at that time, the basis for analysis for producing key sources of evidence did take forward the four housing market zones; City Centre, Inner Areas, Golden Triangle (north), and Outer Area (south).

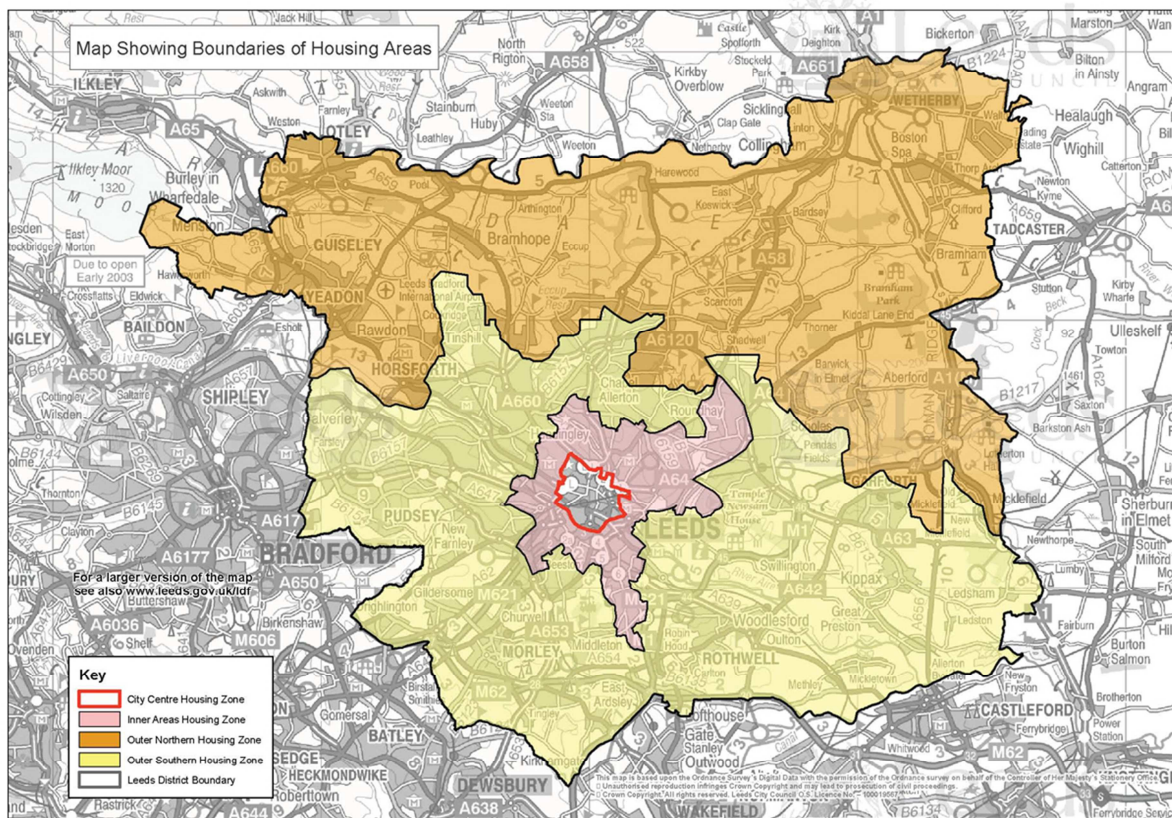
2.20 These four zones were therefore used for the affordable housing Economic Viability Assessment (EVA) 2010 and the Strategic Housing Market Assessment (SHMA) Update 2010. It was somewhat difficult to align the market value geographies identified within the EVA with the original five zones in the SPG but the results of the EVA were interpreted and applied to become the Interim Policy.

### 3.0 CIL Economic Viability Study (EVS)

3.1 As outlined above, the basis of the CIL EVS modelling used the same four zones as in the EVA (shown in the map below). This was necessary for 3 reasons:

- The need for simplicity as specified in the CIL Regulations and guidance.
- The need for consistency and clarity with the assumptions in the EVA so that the two documents work alongside each other.
- The need to input the different affordable housing levels into the modelling, so these levels were best based on the existing position which the EVA established (bearing in mind the complexities around the Interim Policy and the draft SPD as outlined above).

*Figure 2 – Map of housing areas (used for EVA, SHMA Update 2010, and EVS original modelling)*





3.2 However it was always intended that these would be refined somewhat after the modelling was complete. The CIL Regulations require the zones to be shown on a precise map base, and promote simplicity and the use of easily identifiable boundaries. The original boundaries used elements such as wards and postal codes and in some instances there were anomalies when compared at a detailed level against aerial mapping. Therefore in using officer and Member local knowledge along the detailed line of each boundary and the characteristics of the sites and locations they passed through (and the need for consistency and for boundaries to be based on available viability evidence) a number of relatively minor changes were made. These are outlined below.

#### Splitting original outer southern zone into two

- 3.3 The EVA (and some later work done in Summer 2012 to determine whether the Interim Policy was still appropriate) showed that the Interim Policy levels of affordable housing are at the maximum viable (albeit with a reduction in the 15 unit threshold, i.e. a pro rata monetary contribution for schemes below this level). The CIL EVS found that there was some difference in viability within the broad outer southern area and recommended that the area be split into two, otherwise for the purposes of the CIL the whole zone would need to be charged at the lowest potential CIL rate. The key difference with setting the CIL rates from the affordable housing rates is that the latter are targets whereas the CIL will be mandatory and non-negotiable and therefore needs more sensitivity in setting the precise rates.
- 3.4 The original southern outer area was all modelled at the interim policy 15% affordable housing rate, with sufficient difference within it to justify a maximum CIL of £50 psm in the broad outer south area and £25 psm in the broad outer central area. N.B. these were the potential maximum rates, which were subsequently reduced for the Preliminary Draft Charging Schedule to rates of £45 and £24. Therefore the CIL map has an extra zone within it; with the former outer south being split into outer south and outer central areas.
- 3.5 The CIL payments and the provision of affordable housing (and other S106s) are all coming out of the same 'pot', i.e. the amount available for contributions after reasonable costs and profit have been factored into the appraisals. The £21 psm difference between the two zones means on an average house of 88 sqm the outer south would pay a CIL of £3,960 and the outer central would pay a CIL of £2,112. Therefore this difference is meaningful enough in terms of the potential CIL to be collected to warrant having two zones, but compared with the much higher costs of providing an extra unit of affordable housing (i.e. an increased percentage) it is not sufficient. For example, in a scheme of 15 houses the outer southern area would pay £27,720 more CIL than the outer central area. If the 15% affordable housing threshold were raised to 17% that would require one additional affordable housing unit, which would clearly cost more than the maximum £27,720 'available'.
- 3.6 The interim affordable housing policy boundary between the inner suburbs and the outer suburbs (blue and yellow on Figure 1 above) was considered the best alignment for the CIL boundary within the original outer southern housing zone.
- 3.7 This was slightly brought inwards to follow the green belt boundary around Middleton (the effect of which puts Middleton Park in the Outer South zone and makes Middleton appear to stand alone) as green belt has a viability impact on value. It

was also considered that minor alterations to align the boundary along the line of the M1, but including all of the Aire Valley AAP area within the outer central area, were most appropriate due to the nature of the local communities and for the clarity of using a major physical attribute.

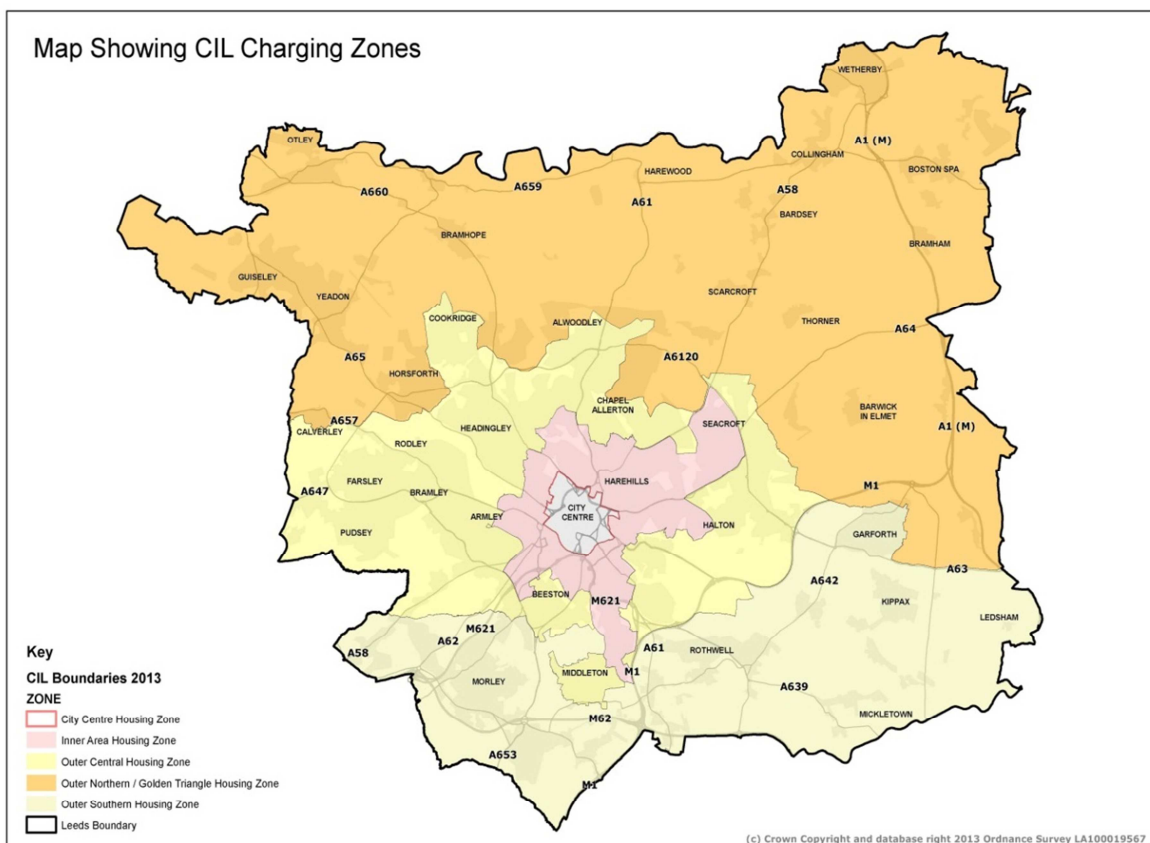
Alterations to original Golden Triangle boundary

- 3.8 The original boundary split the East Leeds Extension across two zones, and viability considerations mean the whole site should be in a single zone. As a proxy a calculation was done for the Grimes Dyke permission (directly adjacent to the ELE) which showed that if it were in the lower CIL zone it would raise less CIL receipts than agreed in the S106. Although there are very large S106 requirements associated with the ELE which will require further consideration to work alongside the CIL and the Reg123 List, it was placed within the Golden Triangle zone at Preliminary Draft stage. Representations were invited on this approach.
- 3.9 Similar considerations applied to the anomalous boundary between Garforth and Micklefield where viability was considered to be broadly the same, and therefore the whole area was put within the same outer north zone. For similar reasons Calverley is better related in viability characteristics to the rest of Horsforth and the northern zone and the boundary was changed to address this. Development Plan Panel (DPP) on 19th December agreed this broad extent of the zones.

Outcome

- 3.10 The above alterations to the map used in the modelling work for the CIL EVS led to the following map being presented to DPP on 14th January:

Figure 3 – Draft CIL Charging Zones presented to DPP 14<sup>th</sup> January 2013



- 3.11 Members considered that the Cookridge area shared the characteristics of the highest charging zone and also contains many potential greenfield sites which would therefore be more viable. Whilst there is a difference in the average house prices for Horsforth and Cookridge, they are not sufficiently different to warrant them being in different zones, indeed, semi-detached average sales were higher in the last twelve months in Cookridge than Horsforth. This is also possible because the rate for the Outer North is an average taken from the low, medium and high beacon settlements, and because of the other requirements in the CIL guidance concerning simplicity etc. Officers and GVA agreed that the boundary between the outer northern and central zone should align with the Outer Ring Road (between Horsforth and Roundhay Park) as a clear boundary with different broad housing market characteristics either side.
- 3.12 Justification for the approach taken so far can be found in e.g. the Central Lancashire Examiner's report: "The revised boundary of the Inner Preston Zone suggested by the City Council... does not rigidly follow the CST ward boundaries. In places, it follows physical features including roads and railway lines, with the effect that some streets which might otherwise have been within the zone are not. Consequently, it does not entirely mirror the viability evidence. However, the extent to which the zone's boundaries divert from those of the CST wards is limited. Only very small areas are affected. In addition, the City Council says that where this deviation does occur, it reflects their local knowledge of the housing market and the way the neighbourhoods involved are perceived by those who live there. In the context of these factors, I take a pragmatic approach. As I see it, the degree of inconsistency with the evidence is not of such significance that it renders the delineation of the Inner Preston Zone inappropriate."
- 3.13 Therefore the final CIL zones in the Preliminary Draft Charging Schedule were agreed at DPP 29th January and Executive Board 15th February 2013. The Outer Northern zone (no longer called the Golden Triangle to avoid confusion with the larger established Golden Triangle stretching between Leeds/York/Harrogate) is north of the Outer Ring Road and also on its western extent is aligned with the green belt boundary as the best indicator of value/viability implications either side of it.

Figure 4 – CIL Charging Zones presented to DPP 29<sup>th</sup> January 2013 Showing Changes

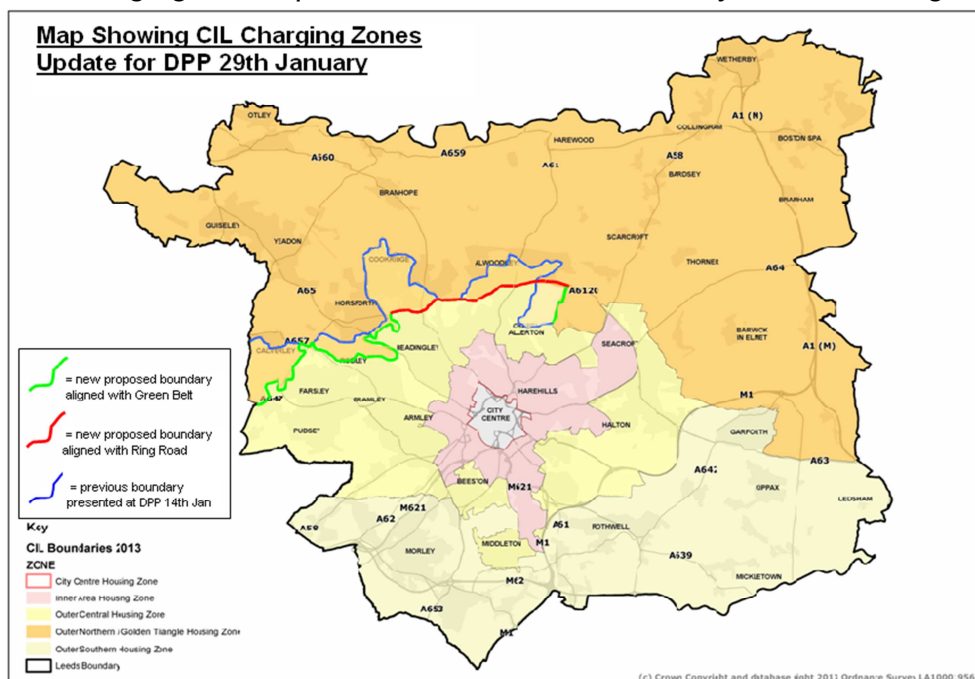
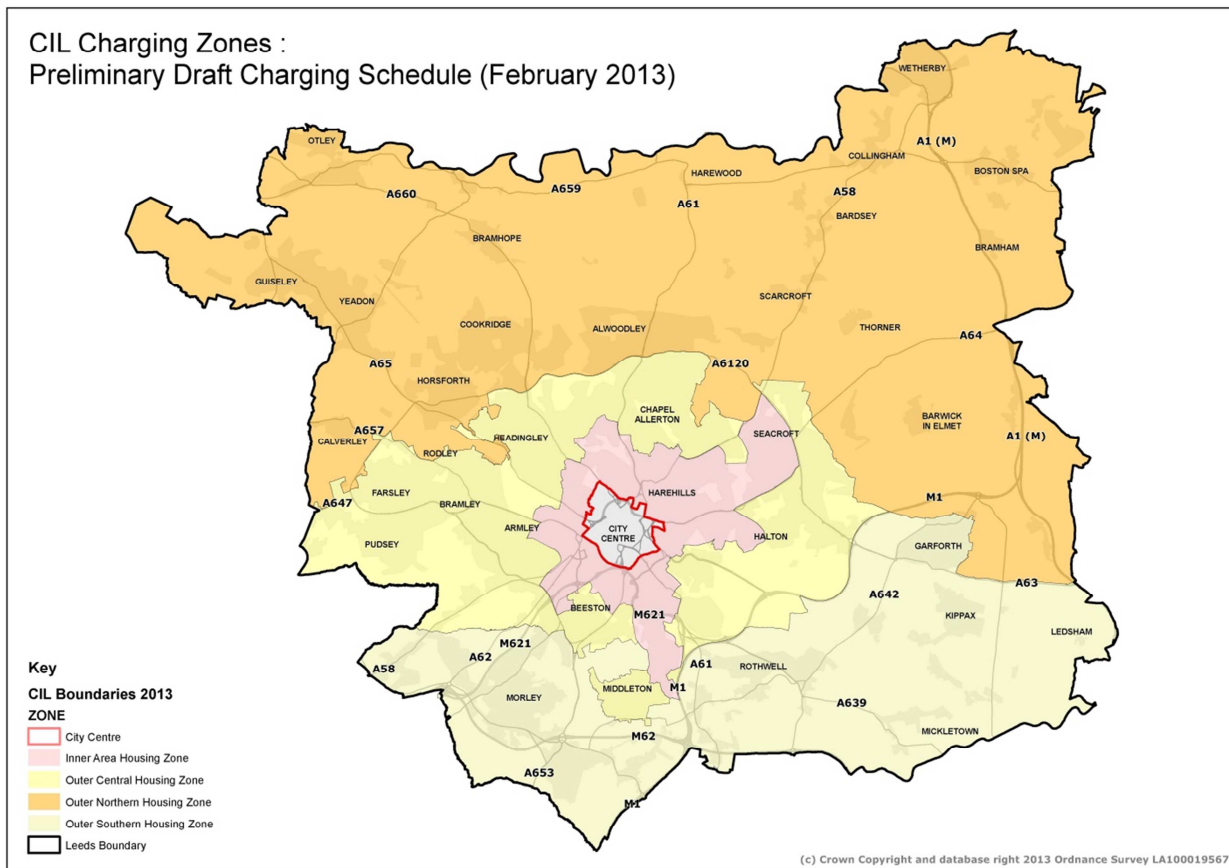




Figure 4 – Final Preliminary Draft Charging Schedule Zones, February 2013



#### 4.0 Public Consultation on the Preliminary Draft Charging Schedule (PDCS) and Subsequent Changes

4.1 A number of responses were received to the PDCS consultation which related to the charging zones. In summary, these comments were:

- a) Support the different charging zones.
- b) Zones in the PDCS are not the same as those within the previous EVA for affordable housing and the SHMA updates and therefore are not consistent. No justification or evidence to demonstrate why this is the case, e.g. land to the east of Garforth. The change of boundary has resulted in Cookridge, East of Leeds, Micklefield, and Otley moving from a medium zone to the highest and will stifle development. Market values demonstrate they are medium value area (£45 psm) and can't sustain the £90 CIL rate.
- c) Would like to see the boundary revised to the previous proposal for 8 market areas of sales values as in Table 15 of EVS.
- d) Inner Area should encompass the Seacroft Hospital site and Cross Gates. Would use the Leeds-York railway to the south and the A6120 to the east of Seacroft Hospital. Would better reflect the characteristics of the local housing market of Osmondthorpe and Harehills rather than e.g. such as Whitkirk and Chapel Allerton, and Seacroft has more in common with the Inner Area in terms of Indices of Multiple Deprivation. It would also align with the EASEL boundary, recognising the importance of the Seacroft Hospital site in helping to deliver regeneration aspirations for that area.
- e) Micklefield, East Leeds, Calverley and Horsforth are in same zone as Aberford, Scarcroft, Thorne, Boston Spa, Wetherby, Yeadon and Bramhope yet are unable to generate same yields.
- f) Zones need more justification. Residential zones are too broad and generalised. Realise that there is national guidance and regulations but not satisfied that the outcome has

enough fine tuning to take account of the realities of individual sites. This should be taken up with the government. Concern that greenfield housing development might be diverted towards the cheaper southern zone. A step from £45 sqm to £90 sqm between adjoining areas of land seems unreasonable.

- g) Should include all the Chapeltown conservation area in the Inner Area as otherwise might potentially discourage investment in the northern part.
- h) Unclear on what basis boundary is drawn around the Garforth area, the M1 and A1 might be more appropriate. The land south of the M1 was not included in the Aberford Neighbourhood Plan area as it bore more relationship with Garforth, so a similar exclusion should be in the CIL.

4.2 The Council's response to the individual representations is set out in the separate responses document. As a result of these comments, a few changes were made to the boundary as outlined below. N.B. the zones have been slightly renamed for the Draft Charging Schedule.

4.3 Land to east of Garforth and Micklefield now in South (£45 psm) with boundary with the North (£90 psm) moved northwards along the M1/A1 - the nearest settlement to Micklefield is Garforth (a medium value beacon in the outer south). The EVS demonstrates that average land values (market value benchmarks) are approximately £114,500 per acre (excluding small sites) for these settlements. The average land value within medium beacon settlements falls to £87,500 per acre with CIL at £50 psm (assuming Code 4). This is below the £100k threshold for unconstrained sites and reflects a drop in value of circa 24%, so this is marginal. In this context it is proposed that Micklefield and land to the east of Garforth be included within the South zone (£45 psm), with the boundary revised to be the M1/A1. This is in line with the representation received.

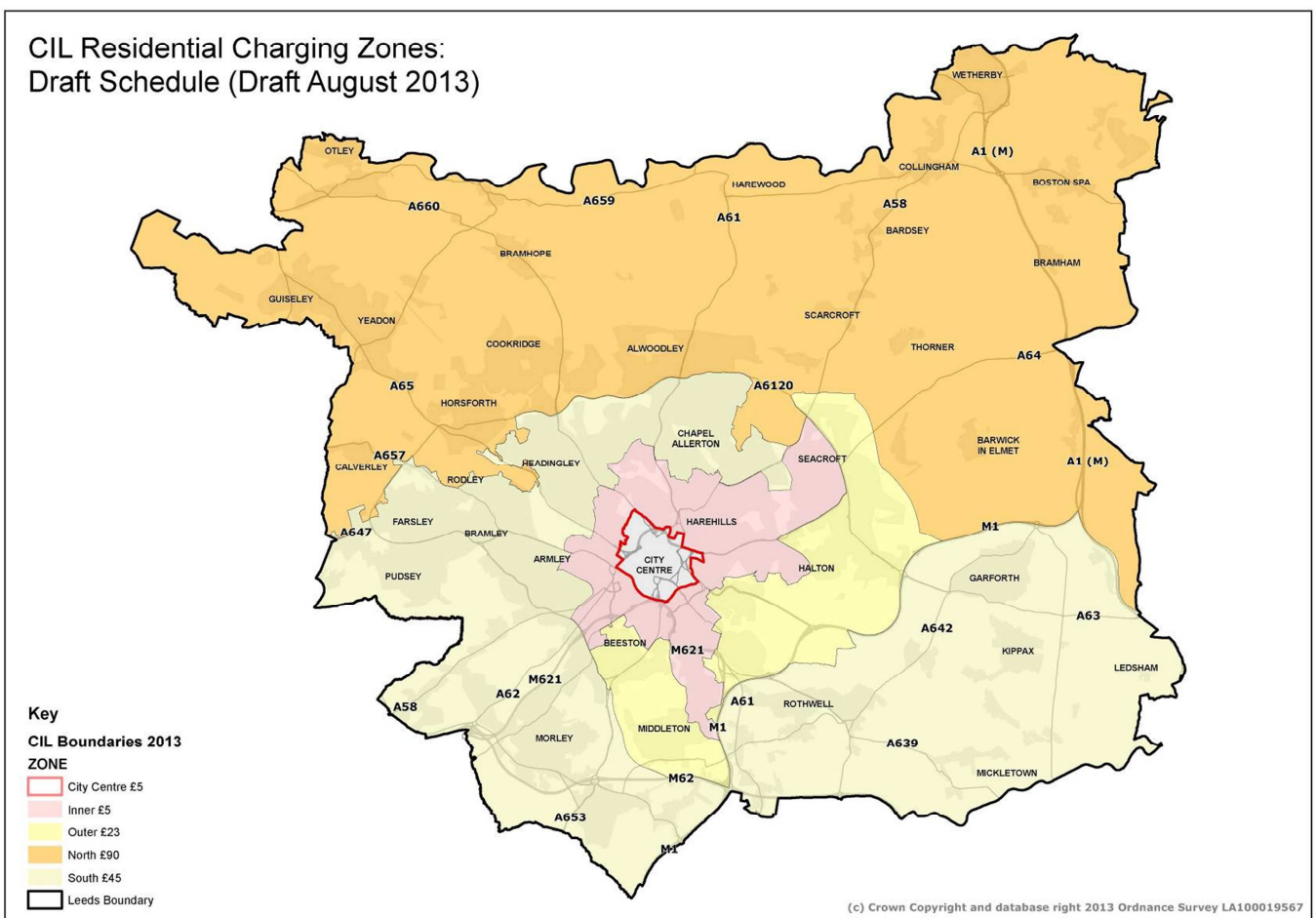
4.4 East Leeds Extension (ELE) to be moved into the Outer zone (£23 psm), with new Outer boundary along the outside edge of the East Leeds Extension / start of the Green Belt - The original Housing Characteristics Areas map placed the majority of the ELE within the Outer South area. The PDCS map for the CIL placed it in the Outer North, with the boundary between the Outer North and the Outer Central being the inside edge of the allocation. This was to reflect that it is greenfield. However, In recognition of the significant S106 costs which will remain over and above any CIL charge, it is now proposed to move it into the adjoining £23 psm Outer zone. The ELE is envisaged to include a S106 contribution (potentially via a roof tax) to the East Leeds Orbital Road estimated in total as £65m, other highways works, two to three primary schools, new bus stops and bus routes, and travel plan requirements including Metrocards. As an example, the Northern Quadrant scheme for 2,000 houses is to provide a two form entry primary school, a £3.56m secondary school contribution, a contribution to the ELE Integrated Public Transport Strategy, new bus stops, travel plan requirements including a co-ordinator post of £192k, Metrocards, a new bus subsidy of up to £1.2m, works to a number of junctions on the existing outer ring road, and longer term improvements to Junction 46 of the M1. As a consequence the CIL rate needs to reflect these costs, which is why it is set at £23 psm otherwise there is the possibility that it would undermine this key area of housing growth for the City. This rate also reflects that the closest housing markets would be Whinmoor and Manston rather than the northern villages.

4.5 South (£45 psm) extended to include all of the former Outer Central area to the west/north of the City Centre/Inner Area i.e. Pudsey, Farsley, Bramley, Kirkstall, Meanwood, Moortown, Chapel Allerton, Roundhay – in both the EVA and the EVS

the areas of Moortown and Moor Allerton were used as 'high value beacon settlements' in the Outer Area, and Pudsey and Garforth were used as medium value beacons. It is therefore now considered an error that the PDCS showed Pudsey, Moortown, and Moor Allerton in the Outer Central £24 zone. It is more appropriate for them to be within the same £45 zone as Garforth as the modelling shows they can bear up to £50 CIL charge along with their neighbouring areas.

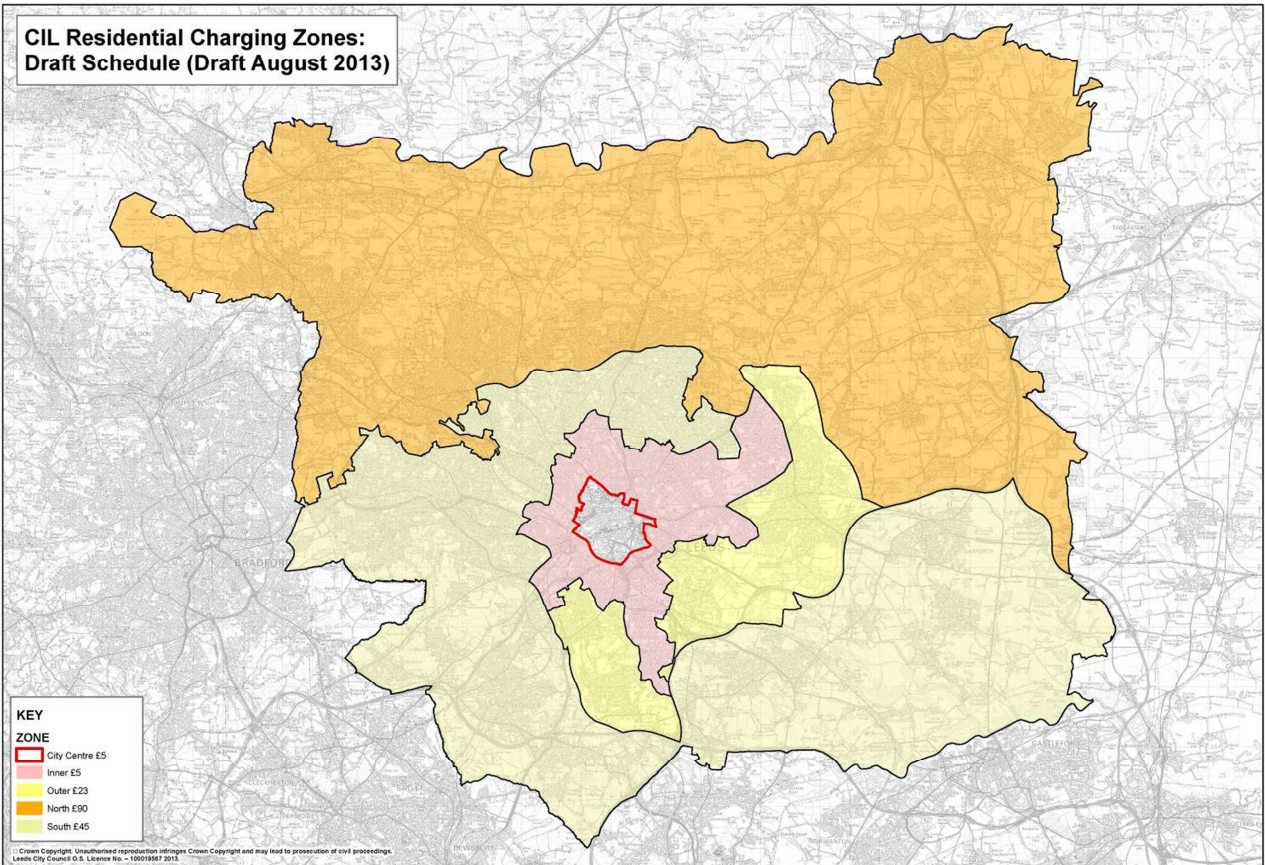
4.6 Middleton area – The map would have better clarity around Middleton if the Outer zone boundaries are aligned with clear physical features rather than with the green belt. The Tingley Station site is more related to West Ardsley than Middleton and is therefore been placed within the £45 Outer zone. The boundary is therefore now the A6110 / railway line to the southwest, and the M62 / M1 to the southeast.

Figure 5 –Draft Charging Schedule Zones, July 2013

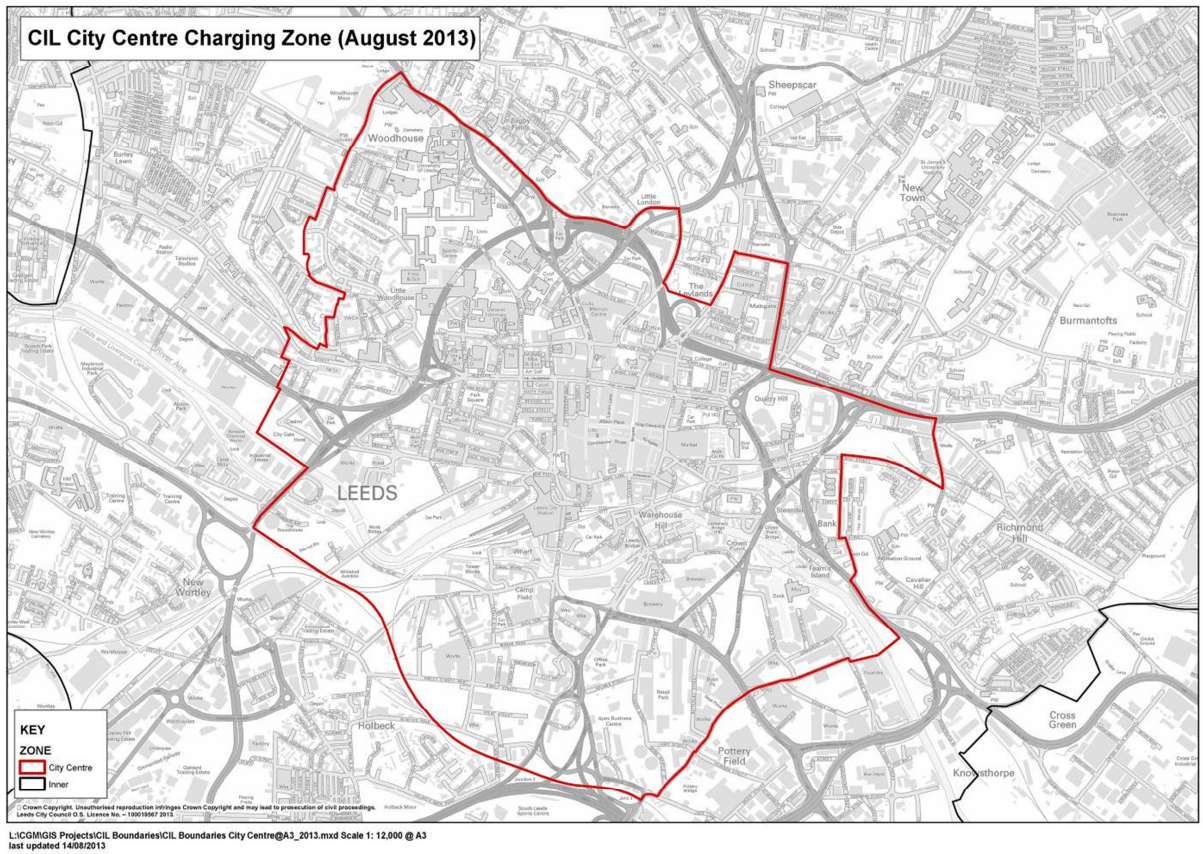




**CIL Residential Charging Zones:  
Draft Schedule (Draft August 2013)**



**CIL City Centre Charging Zone (August 2013)**



## **FURTHER EVIDENCE ON RETAIL RATES**

### **JUSTIFICATION FOR THE COMMUNITY INFRASTRUCTURE LEVY**

**August 2013**

#### **Introduction**

- 1.1 The Council can set a Community Infrastructure Levy charge on new floorspace in Leeds. In the context of the Council's ambition for sustainable growth for the City's economy and its recovery from the recession, setting the CIL rates needs very careful consideration to meet the Council's challenges. The Council needs to make sure financial contributions are secured to help meet the very large infrastructure needs of the City. However, this needs to be balanced to guard against rates being too high and potentially undermining future housing and economic growth. In particular, nationally there is dynamic change in the retail sector, and Leeds has a fragile albeit recovering City Centre office market.
- 1.2 There is also the relationship to consider between the CIL and the New Homes Bonus and business rates, as clearly if the CIL does deter new development then the Council also loses out on those annual payments which would further reduce infrastructure funding. The New Homes Bonus provides £8,700 per house over 6 years (and an additional £2,100 if it is affordable); the Council's grant for 2013/14 was £7.98m. As an example of business rates, City Centre offices range from £66 psm to £132 psm per year, with a King Street office paying £16k per year and an office in 1 Wellington Place paying £95k per year. Examples of large format retail rates are £71 psm for the Holt Park Asda (£360k per year) and £66 psm for the City Centre Primark (£456k per year). It is therefore clear that yearly income from the New Homes Bonus and business rates could in many cases be higher than the one off payment generated by the CIL, even with a CIL at higher rates than proposed in the Draft Charging Schedule.
- 1.3 The Guidance does recognise that not all developments will be viable under a CIL regime and that rates should not be set by reference to individual developments. However, in particular for town and City Centre brownfield sites unless the CIL is set at a reasonable rate, it may continue to be more profitable to maintain a site in use for parking. For example, annually the Markets car park has revenue of £990k, Becket Street of £399k, and the Courthouse car park in Otley of £40k.
- 1.4 These are therefore key reasons why the Council has made the judgement for the retail rates (and City Centre office rates previously) to be reduced further from the potential maximum than has been done for the residential rates.
- 1.5 Further evidence to determine at what rate the retail figures should be reduced to has been sought relating to the current retailing market and specific applications/land sales. There is a rapidly changing retail market including a move to online stores; a greater use of the internet for supermarket shops; a reduction in the weekly supermarket spend; the sector rationalising its store presence; and the continuation of chains going into administration. As just one example, a recent BBC news report states "Tesco's annual profits have fallen for the first time in almost 20 years... A £804m write-down in the UK property portfolio comes after a review in which Tesco identified more than 100 sites, bought mainly during the property boom more than

five years ago, which the company no longer plans to develop. Tesco is shifting its focus away from out-of-town stores and many of the properties will not be needed."

- 1.6 The enabling/regeneration qualities of retail developments was reflected in the Viability Study, but in also awaiting the impact of Trinity and Victoria Gate in the City Centre, it is appropriate to provide more of a viability cushion to this sector as a whole. The Council also needs to be mindful of their role as enabling development. The Council's Asset Management team has confirmed that all the major food retailers have cut back on their requirements in 2013 as a result of the recession, and there has been a general drop of about 30% of the prices that the retailers have been prepared to pay. This is borne out by various news reports about the 'big 4' supermarkets' profits and that they have recently written down their property portfolio. This postdates the Economic Viability Study and the rates in the Preliminary Draft Charging Schedule.
- 1.7 The Preliminary Draft Charging schedule proposed retail rates for above 500 sqm new floorspace of £158 in the City Centre and £248 outside it. It is now proposed to respond to the retail concerns and those raised by some representations by separating out the different retail categories of convenience (supermarkets) and comparison goods, and charging them different rates. The supermarket rates have been lowered by 30% from the Preliminary Draft rates and the comparison rates have been lowered by 78% (adjusted to the nearest £5). There is also an increase in the minimum size charged for comparison retail from 500 sqm to 1,000 sqm to improve viability for stores likely to be developed in centres. The rates in the Draft Charging Schedule are as follows:

Type of retail	CIL Draft Charging Schedule rate
Supermarkets above 500 sqm in City Centre	£110/ psm
Supermarkets above 500 sqm outside City Centre	£175/ psm
Comparison above 1,000 sqm in City Centre	£35/ psm
Comparison above 1,000 sqm outside City Centre	£55/ psm

- 1.8 It must be remembered that current S106s payments are not necessarily what retailers can afford but a calculation based on policy requirements, and therefore it is possible to apply a CIL charge way in excess of this and still demonstrate viability (e.g. as has been done in the Viability Study). However, a review of recent S106 agreements does provide a useful context to cross-check the CIL rates:
- Otley Road in Guiseley comparison retail = £46 psm
  - Carr Crofts retail in Armley = £69 psm
  - The representation on the Preliminary Draft from Asda considers the total S106 cost of their Middleton scheme to be £2.36m, or £377 psm. Under the CIL regime there would no longer be the requirement to pay the £1.05m public transport improvements or the £40k district centre improvements, so Asda would have paid a S106 of £1.27m (£202 psm). This leaves an additional £174 psm (£1.09m) as a minimum CIL which could be paid without increasing the overall amount.
  - Holt Park District Centre - if not brought forwards by Asda the likely land value of the 1,500 sqm is £500k to £1m depending on the user. At a CIL of £174 psm for convenience retail the total payment would be £261k (26% to 52% of the land value), for comparison retail it would be £82.5k (8% to 17%).

- Victoria Gate (Hammersons) – the total Phase one S106 in the 2012 outline permission is £271.5k (plus £502.4 agreed for public transport contribution for phase two). Under a CIL regime it would not include the public transport improvements of £247.5k, so would pay a S106 of £24k. Broken down by the floorspace in the current 2013 phase one applications (John Lewis GIA 26,427 sqm and other retail 9,036 sqm = total 35,463 sqm) that equals a rate of £7 psm. With the CIL set at £35 psm as proposed, the CIL payment would be £1.19m, i.e. £942.5k more than the current 1st phase S106.



## LEEDS AFFORDABLE HOUSING COMPLETIONS

### JUSTIFICATION FOR THE COMMUNITY INFRASTRUCTURE LEVY

August 2013

#### Introduction

- 1.1 The CIL Guidance 2013 set out the new requirement that “as background evidence, the charging authority should also prepare and provide information about the amounts raised in recent years through section 106 agreements. This should include the extent to which affordable housing and other targets have been met” (Paragraph 22). The amounts raised in S106s have been previously published in the Justification Paper supporting the CIL Preliminary Draft Charging Schedule. This short paper therefore sets out how Leeds has met its affordable housing targets over the last few years. The information is taken from the Leeds Authority Monitoring Report 2012 (paragraphs 6.17/6.18 and Tables 12/13, available on the Council’s website), and updated for the 2012/13 financial year.
- 1.2 Indicator H5 monitors gross affordable housing completions using data from the Housing Strategy Statistical Appendix. 495 affordable housing units were completed in 2011/12, with 54 delivered through S106 Agreements, 308 through grant assisted schemes, and 133 through Government initiatives. The delivery rates also place emphasis on the ability of the market to purchase housing. Overall 2032 units (gross) were completed in 2011/12. If the number of units that were grant funded are deducted, there is a private market development rate of 1591 units, which means that 78% of all housing completions were delivered through private schemes. The 2011 Strategic Housing Market Assessment reviewed ability to buy and noted that over the life of the plan, it is expected that only 65% of all housing need will be met by market forces. 360 affordable units were delivered in 2012/13, with 72 being via S106s demonstrating an increase.

#### *Gross affordable housing completions 2008/09 to 2011/12*

Period	Social rented	Intermediate	Total
2008/09	157	253	410
2009/10	84	329	413
2010/11	341	438	779
2011/12	279	216	495
2012/13	-	-	360

#### *Affordable housing completions by delivery sector 2011/12 and 2012/13*

Period	Section 106	Grant assisted	Government initiatives	Leeds Local Authority Mortgage Indemnity scheme
2011/12	54 (11%)	308 (62%)	133 (26%)	-
2012/13	72 (20%)	274 (76%)		14 (4%)

- 1.3 The Executive Board report 13th March 2013 also set out that the Council continues to support and facilitate the delivery of affordable housing including via the Homes and Communities Agency’s 4 year Affordable Homes Programme. It is expected that approximately 1,400 affordable homes will have been delivered via this route by March 2015. The Leeds Local Authority Mortgage Scheme was approved by Executive Board in 2012 which provides a mortgage indemnity for first time buyers in partnership with the Leeds Building Society. It is aimed that the scheme will support around 30 first time buyers to purchase a home and unlock associated chains of house purchases.



## **LEEDS INFRASTRUCTURE FUNDING GAP (UPDATE)**

### **JUSTIFICATION FOR THE COMMUNITY INFRASTRUCTURE LEVY**

**August 2013**

#### **Introduction to the Funding Gap**

- 1.1 This paper sets out the justification for progressing with the development of a Community Infrastructure Levy (CIL) in Leeds and forms part of the evidence base for the Leeds CIL Preliminary Draft Charging Schedule.
- 1.2 The Planning Act 2008 (as amended), the Localism Act 2011, and the Community Infrastructure Levy Regulations 2010<sup>1</sup> (the CIL Regulations 2010) set out that a charging authority can collect a CIL in its area. In particular, the CIL Regulations 2010 state at Regulation 14 that authorities must strike an appropriate balance between “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 the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.”
- 1.3 Statutory guidance ‘Community Infrastructure Levy Guidance’ (December 2012, CLG) states at paragraph 12 that: “A charging authority needs to identify the total cost of infrastructure that it desires to fund in whole or in part from the levy. In order to do this, the charging authority must consider what additional infrastructure is needed in its area to support development and what other funding sources are available (for example, core Government funding for infrastructure, which will continue following the introduction of a levy, anticipated section 106 agreements and anticipated necessary highway improvement schemes funded by anyone other than the charging authority) based on appropriate available evidence.”
- 1.4 The guidance goes on to state at paragraph 14: “In determining the size of its total or aggregate infrastructure funding gap, the charging authority should consider known and expected infrastructure costs and the other sources of possible funding available to meet those costs. This process will identify a Community Infrastructure Levy infrastructure funding target. This target should be informed by a selection of infrastructure projects or types (drawn from infrastructure planning for the area) which are identified as candidates to be funded by the levy in whole or in part in that area. The Government recognises that there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term. The focus should be on providing evidence of an aggregate funding gap that demonstrates the need to levy the CIL.”
- 1.5 This paper is intended to set out the aggregate funding gap in line with the above guidance and regulations.

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<sup>1</sup> As amended by the Community Infrastructure Levy (Amendment) Regulations 2011 and 2012

## Infrastructure Projects

- 1.6 The CLG guidance states that information on the Council's infrastructure needs should be drawn directly from the infrastructure planning that underpins its Development Plan (paragraph 13). The existing development plan for Leeds is the Unitary Development Plan Review (2006) and this is being replaced by the emerging Local Development Framework (LDF). Within the LDF the Leeds Core Strategy is about to undergo Examination (in October 2013). The Core Strategy is supported by an Infrastructure Delivery Plan (IDP), The IDP identifies the current infrastructure provision in the Leeds District, and where possible bearing in mind funding uncertainties and shorter timescales of partner infrastructure providers, the critical infrastructure necessary for the delivery of the Core Strategy over the plan period including funding gaps and priorities.
- 1.7 A CIL funding gap of £1.3 billion was identified in January 2013 in the CIL justification paper 'Infrastructure Funding Gap' in order to support the Preliminary Draft Charging Schedule and justify progression with the CIL in Leeds. The information was based on the published draft IDP (March 2012), updated with amendments and refinements as a result of further consultation and discussion with infrastructure service providers. Taking into account the list of infrastructure needs, a fuller assessment was made of sources of funding for each item of infrastructure identified and whether CIL was an appropriate tool for plugging any gaps, once other sources of funding had been explored. This review resulted in a much shorter list of infrastructure items, as set out in the paper.
- 1.8 This exercise has been repeated now that the final IDP for the Core Strategy has been published. Table 1 below therefore provides the most up to date information on the Leeds funding gap for the purposes of the CIL. For many projects no alternative sources of funding have yet been identified, so the full cost has been included for funding from the CIL, albeit that in reality it is expected that such other sources would come forwards for instance as new Government programmes and grants become available. This is in line with the CIL guidance as outlined further below.
- 1.9 The guidance states that "where infrastructure planning has been undertaken specifically for the CIL and was not tested as part of another examination, the CIL examiner will need to test that the evidence is sufficient in order to confirm the aggregate infrastructure funding gap and total target amount that the authority proposes to raise through the levy" (paragraph 17). However, in Leeds, the infrastructure evidence will have been tested at examination of the Core Strategy and therefore in line with paragraph 18 it is not intended that the CIL examination should re-open detailed discussion on this infrastructure planning.
- 1.10 Table 1 should not therefore be considered to be the Council's programme for spending on infrastructure, or the definitive list of the infrastructure items to which the CIL will contribute. The infrastructure projects or types of infrastructure that LCC intends will be wholly or partly funded by CIL will be set out in its Regulation 123 list. Table 1 is the best available information at this time on the funding gap for the infrastructure needed to support planned development in the District, and for which CIL is a suitable mechanism for contributing to filling that gap. Infrastructure requirements and costs may change over the plan period and will be updated accordingly in future revisions of the IDP or supporting CIL documentation.

- 1.11 Predicting future levels of funding beyond the short-term is difficult and it is particularly problematic in the current economic and funding climate, where funding has considerably reduced from the levels available in previous years. Where exact levels of funding are unknown and therefore are not included within funding assumptions, Table 1 identifies indicative future funding sources and expected value, in line with national guidance.
- 1.12 For instance, the resources available to fund the Council's infrastructure provision may be provided by central Government in the form of supported borrowing and grants (normally for specific purposes, and particularly from the Department for Transport and the Department for Education), in the form of grants from other external bodies, or from developer contributions. Funding sources investigated for LCC services also include the capital programme including Council tax, generation of capital receipts, the New Homes Bonus, and other innovative sources of funding and borrowing such as TIF and the Aire Valley Enterprise Zone. The recent City Deal for the Leeds City Region and the 'West Yorkshire Plus Transport Fund' will also be very important tools in bidding for funding and attracting investment.
- 1.13 **In summary, an overall 'CIL funding gap' of £1.24 billion has been identified for the Leeds District up to 2028.**

**TABLE 1 - INFRASTRUCTURE POTENTIALLY TO BE FUNDED FROM THE COMMUNITY INFRASTRUCTURE LEVY UP TO 2028**

TOPIC	SCHEME	TOTAL COST	CONFIRMED FUNDING SOURCES	FUNDING GAP	DELIVERY NOTES
<b>PUBLIC TRANSPORT, PEDESTRIAN AND CYCLE</b>					
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 1</b> East Middleton Spur	£190k	None	£190k	Spur to extend coverage of route 3. LTP3 scheme post 2014
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 4</b> Adel Spur	£157k	None	£157k	Spur to extend coverage of route 15. LTP3 scheme post 2014
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 6</b> North Morley Spur	£448k	None	£448k	Spur to extend coverage of route 13. LTP3 scheme post 2014
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 7</b> Scholes to City Centre	£611k	None	£611k	Connects to Penda's Way (17) and Wyke Beck Way (16). LTP3 scheme post 2014
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 8</b> Rothwell to City Centre	£887k	None	£887k	Connects to Route 3 and Aire Valley. LTP3 scheme post 2014
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 11</b> Farnley - Leeds City Centre	£1.107m	None	£1.107m	Links to Route 10. LTP3 scheme post 2014
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 13</b> Morley to City Centre	£932k	None	£932k	Links to White Rose shopping centre and Holbeck regeneration area. LTP3 scheme post 2014
<b>Cycle</b>	Leeds Core Cycle Network <b>Route 14</b> A64 York Rd corridor improvements	£482k	None	£482k	Connects with Route 16. LTP3 scheme post 2014

<b>Cycle</b>	Leeds Core Cycle Network <b>Route 17</b> Penda's Way	£1.441m	None	£1.441m	Links to Routes 7 and 14. LTP3 scheme post 2014
<b>Pedestrian</b>	Public Right Of Way Network	£1.2m	£800k from LTP, grants, and on-site provision	£400k	The Leeds ROWIP will be reviewed again by 2017. If all of the identified projects were to be delivered over the next ten years, the City Council would need to seek funding between £2.3m and £3.9m, including through S106, West Yorkshire Transport Plan and third party grants. The Plan should mainly be viewed as an aspirational document highlighting improvements (which in part) are over and above the basic statutory requirements. A cautious estimate has therefore been used of £1.2m (half the lowest estimate) to reflect that schemes are aspirational. The current PROW network is a LTP3 scheme, supported through LTP3 for next 3 years with £75k and likely to extend beyond this through ongoing work. An assumption of £75k LTP funding has therefore been assumed for each 3 year period = £300k. Additional 3 <sup>rd</sup> party grants and provision on site as part of development schemes has assumed an additional £500k.
<b>Public Transport</b>	Bus - A61 Quality Bus Corridor enhancements and Alwoodley park and ride	Not yet costed	None	Not yet costed	TfL study
<b>Public Transport</b>	Bus - A64 Quality Bus Corridor extension and Grimes Dyke park and ride	Not yet costed	None	Not yet costed	TfL study
<b>Public Transport</b>	Bus - Elland Road Park and Ride	£600,000	LTP3 IT Block & S106, Metro	£300,000	LTP3 scheme, but dependent on Elland Road Masterplan and contributions from other partners. Assume 50%
<b>Public Transport</b>	Bus - Gelderd Road Bus Priority	£30,000	None	£30,000	LTP3 scheme
<b>Public Transport</b>	East Leeds Link Road park and ride	£5m	None	£5m	Part of package of transport connectivity enhancements. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding)
<b>Public Transport</b>	Leeds NGT trolleybus network; Stourton - Holt Park, Stourton Park and Ride, Bodington Park and Ride	£250.6m	£173.5m DfT, £77.1m LCC and Metro	£20m	Overall cost £250m, due to start construction late 2016/17, start of operations 2020. To make application for Transport & Works Act Order Summer/Autumn 2013. Some committed S106s.

<b>Public Transport</b>	Leeds NGT trolleybus network extension to East Leeds (including City Centre loop)	£97.4m	None	£48.74m	NGT extension to St James' Hospital and east Leeds (WYTF scheme) Currently unfunded, further study required. Assume for purposes of funding gap 50% grant funded.
<b>Public Transport</b>	Leeds NGT trolleybus network Line 3 - extension to Aire Valley Leeds	£98.3m	None	£49.15m	NGT extension from City Centre to Aire Valley. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding), which includes the Aire Valley Park and Ride. Assume for purposes of funding gap 50% grant funded.
<b>Public Transport</b>	Railways - Additional park and ride capacity local rail stations	Not yet costed	None	Not yet costed	Additional park and ride capacity at West Yorkshire rail stations. Pontefract and Mirfield to be progressed through IP1 funded by LTP but are yet to be approved, further study required.
<b>Public Transport</b>	Railways - East Leeds Parkway Station, Micklefield	£10.1m	National Rail/ DfT/ Metro	£5.05m	Scheme identified in regional RUS and Initial Industry Plan for CP5 (2014-19) awaiting publication of Network Rail business plan expected 2013 and subsequent decision on funding. Upgrade to City Region Parkway scheme would be contingent on funding and business case. Implications of Trans-Pennine electrification on this scheme yet to be understood. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding). Scheme for 'smaller' station is not currently funded but forms part of the HLOS for CP5. Assume 50% CIL.
<b>Public Transport</b>	Railways - Horsforth Woodside Station	Not yet costed	None	Not yet costed	Requires further study. Outline business case is prepared but scheme has no status in DfT publication "Investment in Local Major Transport Schemes' and is not included in LTP Railplan 7. To be progressed with developer funding. No funding from Network Rail for this scheme.
<b>Public Transport</b>	Railways - Leeds City Station new platform and platform 17 extension	£30m	DfT	£15m	Scheme is not currently funded but forms part of the High Level Output Specification for Control Period 5 (2014-2019). Assume 50% DfT for purposes of CIL gap.
<b>Public Transport</b>	Railways - TransPennine electrification between Manchester Victoria and Leeds, and on through Garforth to Colton Junction west of York	£1.5m	DfT/Metro LPA & developer contributions for Garforth only	£1.5m	Announced in Chancellor's Statement Nov 2011. Preliminary feasibility work undertaken, with a view to implementation around 2016/17, although likely DfT will ask for programme to be accelerated. Work on GRIP stage 3 started Autumn 2012. DfT commitment to fund core route Stalybridge to Leeds, Neville Hill to Colton Junction and Selby. Only potential CIL contribution would be access improvements at Garforth station £1.5m (total costs over £100m).

<b>Public Transport</b>	Yorcard - provision of card vending machines and top-up points, integration of other services onto smartcards (school and leisure), on-bus equipment, enabling internet sales, development of Leeds City Region MetroCard product by smart media.	Not yet costed	£6.14m	Not yet costed	<p>Yorcard will allow passengers to load money on to their tickets, the new system should be in place across West Yorkshire and York by early 2014. Key targets include developing a county-wide retail network including local shops, vending machines and an online 'top up' service. Almost 400 buses run by smaller operators would be fitted with smartcard readers, while further work on the complex back-office systems that make the scheme work would continue. Transdev Keighley and Arriva have already switched on their smartcard readers, and First are currently testing their equipment, much of West Yorkshire's bus fleet will soon be smartcard enabled. Currently it is just senior, disabled and blind concessionary pass-holders who can swipe on to local bus services, the scheme is aimed to open up to all bus users as soon as possible. Establishing a smartcard retail network, equipping more vehicles and completing the development of back-office technology are the next steps to extending smartcard travel to all bus users, rather than just concessionary pass-holders, and eventually rail passengers as well.</p> <p>West Yorkshire Integrated Transport Authority Executive Board on April 27 2012 agreed £6.14m to be spent on the project from the Better Bus Area Fund (£4.33 million plus £0.65 million relating to York City Council funding) and LTP3 funding £1.16million. Later phases assume contributions from City Region Authorities and Metro although split not yet determined. Metro, together with local bus operators, recently made a successful Better Bus Area Fund bid to the Department for Transport for almost £5m to develop West Yorkshire's smartcard network.</p>
<b>Airport</b>	Leeds Bradford International Airport tram-train link - fixed link from the Harrogate Rail line	£132.6m	None	£66.3m	Unfunded, but included within the City Region Connectivity Study and Core Strategy priority (on Key Diagram). Assume some City Deal funding for purposes of CIL funding gap.
<b>HIGHWAYS</b>					

<b>Highways (local)</b>	A6110 Outer Ring Road improvements	£17.6m	WYTF	£8.8m	Highway improvement package for the A6110 from M621 Jn 1 to A647 Stanningley Bypass. Includes enhanced pedestrian and cycling facilities as well as junction improvements at key intersections. Complements measures planned elsewhere on the Leeds Outer Ring Road. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding). Assume 50% CIL.
<b>Highways (local)</b>	A6120 dualling – Dawson's Corner-Horsforth	£24.2m	None	£24.2m	Conversion of single carriageway to dual carriageway (TfL scheme)
<b>Highways (local)</b>	Aire Valley Leeds - East Leeds Link Road and river crossing	£24.8m	Enterprise zone borrowing, developer funding, WYFT	£12.3m	New river bridge and link road to connect East Leeds Link Road with Pontefract Road. Includes Skelton Grange link route protection for a new road link and river crossing into the Cross Green Development area and improvement at the junction between Skelton Grange Road and Pontefract Road. In LCC Capital Programme Dec 2011 £2.5m provided to support a new spine road in the AVL enterprise zone. This will enable public transport to connect to East Leeds and enable local people to access the new jobs. The LEP has agreed that Leeds will use funding raised from increased business rates in the Enterprise Zone to pay the borrowing costs for this investment, with a potential role for the CIL. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding)
<b>Highways (local)</b>	Armley Gyrotory major improvement	Not yet costed	£130K contribution from LTP3 IT Block	Not yet costed	TfL scheme - linked to City Square improvements. This would form part of the city centre transport strategy which is still in development and not yet costed.
<b>Highways (local)</b>	City Square renaissance public space and public transport priority	Not yet costed	WYTF	Not yet costed	TfL study. This would form part of the City Centre transport strategy which is still in development. Identified as 'West Yorkshire Plus' Transport Fund priority.
<b>Highways (local)</b>	Horsforth Roundabout	£2.8m	LTP3 matched with developer funding	£2.8m	Improvements to the A6120 / A65 junction to replace the existing roundabout with a signalled junction to alleviate congestion and improve road safety. The proposals fit with the longer term strategy for the Leeds Outer Ring Road and will match LTP3 funding with developer funding.
<b>Highways (local)</b>	King Lane roundabout	£1.7m	WYTF	£850k	Improvements to the A6120 / King Lane junction to replace the existing roundabout with a signalled junction to alleviate congestion and improve road safety. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding). Assume 50% CIL.



<b>Highways (local)</b>	Meadow Lane / Victoria Road scheme	Not yet costed	None	Not yet costed	Meadow Lane / Victoria Road scheme. This would form part of the city centre transport strategy which is still in development. Identified as 'West Yorkshire Plus' Transport Fund priority.
<b>Highways (local)</b>	Moortown Outer Ring Road junction signalisation and improvement	£2.4m	WYTF	£1.2m	Signalisation of existing A61/A6120 roundabout. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding). Assume 50% CIL.
<b>Highways (local)</b>	Thornbury Barracks roundabout	£3.4	DfT Pinch Point bid with LTP3 contribution	£3.4	Improvements to the A647 / B6154 junction to replace the existing roundabout with a signalled junction to alleviate congestion and improve road safety. Provision of bus priority on A647. Awaiting Pinch Point funding decision - expected May 2013.
<b>Highways (strategic)</b>	M621 Corridor Management Plan	Not yet costed	None	Not yet costed	M621 Corridor Management Plan. Ongoing work which will be fed by the Leeds Infrastructure Study that the HA are producing (as at March 2013), level of intervention required not yet ascertained or costed until have details of LCC's City Centre Transport Strategy.
<b>Highways (strategic)</b>	A65-A658 Link Road (bypassing Rawdon and Horsforth) - includes extension of A65 Quality Bus Corridor to serve the airport.	£30m	Dft and developers	£15m	At early development but initial work shows a potentially robust benefit cost ratio within DfT guidelines, and is included within the City Region Connectivity Study. Cost estimate £35.7m. Funding prioritised in 'West Yorkshire Plus' Transport Fund (which includes DfT devolved major scheme funding) with private sector contribution plus s106/CIL (assume 50%).
<b>Highways (strategic)</b>	Loop road extensions	Not yet costed	None	Not yet costed	Proposed south west and south east extensions of the Loop road. This remains a concept rather than a defined scheme. It would form part of the city centre transport strategy which is still in development. Identified as 'West Yorkshire Plus' Transport Fund priority
<b>Highways (strategic)</b>	M1 J46 southbound slip road - ramp metering	Not yet costed	Highways Agency	Not yet costed	Original target 2015 although currently being renegotiated to be traffic dependent. The scheme is to be delivered by Leeds City Council under a Section 6 agreement with the Highways Agency. Current Agreement states works to be delivered in 2019.
<b>Highways (Strategic)</b>	M62 J27 lengthening of west facing slip roads	Not yet costed	None	Not yet costed	Potential safety scheme required longer term. Not yet costed but expected to be more than £10m.
<b>Highways (Strategic)</b>	M62 J29 Lofthouse Interchange	Not yet costed	None	Not yet costed	Significant capacity enhancements required to interchange in medium to longer term. Further work required to identify schemes. Unfunded.
<b>Highways (Strategic)</b>	M62 J30 improvements to west bound off slip and signalisation	Not yet costed	None	Not yet costed	Unfunded

EDUCATION AND COMMUNITY					
<b>Education</b>	School requirement District wide resulting from Core Strategy housing growth	£474m	Developer contributions / CIL / LCC sites, LCC budget	£474m	<p>Approximate build costs (notwithstanding land costs) approximately:            £5 million for 1 form entry primary school            £7 million for 2 form entry primary school            £20 million for 5 form entry secondary school            £30 million for 8 form entry secondary school</p> <p>The need for adequate and appropriate school provision is factored into decisions regarding the strategic location of development outlined in the Core Strategy and in particular more detailed proposals in relation to specific areas of the City and individual development sites are being worked up for the Site Allocations Plan. In very broad terms the overall growth to 2028 equates to 83 new form entry (without adjustments for location and current capacity), to be provided by extensions and new schools. The size of schools will depend on the size of development planned and a range of potential sizes of schools can be modelled but the most likely scenario assumes that for primary a 2 form entry will be chosen and for secondary an 8 form entry school.</p> <p>Therefore build costs are approximately:            42 x 2FE primary schools = £294m            6 x 8FE secondary schools = £180m total = £474m</p>
<b>Libraries</b>	Libraries	Not yet costed	LCC capital funding/ward based funding	Not yet costed	Increase in population may lead for need for reconfiguration of existing libraries. Funded and delivered when necessary through S106 / CIL / LCC capital funding/ward based funding.
<b>Community Centres</b>	New community centres as necessary	Not yet costed	None	Not yet costed	Increase in population may lead for need for new community centres, or enhanced use/reconfiguration of existing centres. Funded and delivered when necessary through S106 / CIL / ward based funding.
FLOOD DEFENCE					
<b>Flood Defence</b>	River Aire Flood Alleviation Scheme (FAS) – Phase 1	£52m	LCC capital programme £10m , ERDF £10m, RGF £4m, FDGiA £8.8m, BID £1m,	£17.2m	<p>Phase 1 - Create flood defences protecting the city from flooding along a 3.5 kilometre stretch of the River Aire between Leeds Central Station and downstream to Knostrop Weir. Phase 1 will provide a 1 in 75 years Standard of Protection from flooding. Completion anticipated 2015, subject to planning permission and funding availability. The FAS Phase 1 comprises 3 elements to be undertaken as funding becomes available :</p> <p>i) Remove existing weirs, install moveable weirs at Knostrop / Crown Point</p>

			developers £1m		<p>ii) Provide defences: embankments, terracing, setting back of defences, walls as required between Leeds Train Station and Granary Wharf</p> <p>iii) Remove Knostrop Cut to merge the Canal and River Aire</p> <p>£47m cost plus £5m maintenance. Assumed funding sources, although none yet confirmed: European Regional Development Fund £10m, Regional Growth Fund £4m, Flood Defence Grant in Aid (FDGiA) via Yorkshire Regional Flood and Coastal Committee and EA £8.8m, Business Improvement District (assume nominal £1m), development industry contributions (assume nominal £1m outside of the CIL).</p>
<b>Flood Defence</b>	River Aire Flood Alleviation Scheme – Phase 2	£25m	ERDF, BID, FDGiA, Jessica, LCC, development industry contributions	£25m	<p>Phase 2 - to provide a 1:75 year Standard of Protection along the River Aire, from Newlay Bridge the City Centre and from Knostrop to Woodlesford.</p> <p>2012 Phase 2 has not been sufficiently costed to allow for an accurate figure, but £25m is the best estimate possible – this is a minimum figure so as not to overstate the cost gap.</p>
<b>Flood Defence</b>	River Aire Flood Alleviation Scheme – Phase 3	£25m	ERDF, FDGiA, BID Jessica, LCC, development industry contributions	£25m	<p>Phase 3 - to increase the overall level of protection offered by the defences to a 1:200 Standard of Protection for the whole scheme.</p> <p>Phase 3 has not been sufficiently costed to allow for an accurate figure, but £25m is the best estimate possible – this is a minimum figure so as not to overstate the cost gap.</p>
<b>GREEN INFRASTRUCTURE AND LEISURE</b>					
<b>Green Infra</b>	62 Community Parks city wide.	£6m	None	£6m	In order to gain understanding of standards of all parks and green space, an assessment programme was devised in 2004 to assess a representative sample of 144 parks and green spaces over a rolling 3 year period against the national Green Flag standard criteria. This investment is required to achieve the Parks and Green Space Strategy target of all 62 Community Parks attaining the national Green Flag standard by 2020. Prior to the CIL being introduced S106 funding is generally used for this purpose.
<b>Green Infra</b>	7 City Parks – Major Visitor Attractions	£10m	Assume external funding of £8m	£2m	Investment required to develop our City Parks: Roundhay Park, Temple Newsam, Lotherton Hall, Middleton Park, Golden Acre Park, Otley Chevin and Kirkstall Abbey. Funding is primarily sourced from external bodies namely Heritage Lottery Fund, assume 80% of costs.

<b>Green Infra</b>	Allotments city wide	£1.5m	Developer contributions	£1.5m	There is currently a waiting list of 1100 people requesting an allotment across the city, and increased housing growth will increase pressure on allotments. To accommodate this provision significant investment is required to create new allotment sites and to provide for the future level of demand. Prior to the CIL being introduced S106 funding is generally used for this purpose.
<b>Green Infra</b>	City Centre Park and smaller pocket parks in city centre	£34.5m	None, in partnership with developers	£25.88m	£4.5m investment is required to develop the smaller pocket parks in the City Centre i.e. Hanover Square, Lovell Park, Queens Square, and Sovereign Street. For the city centre park a broad estimate including restructuring works of some of the highways is £40m. As the highway works may be scaled back a cautious estimate of £30m for this has therefore been used. Some of this will be provided through direct redevelopment, assume 25%.
<b>Green Infra</b>	City Centre public realm	Not yet costed	In part through development of sites	Not yet costed	Identified in Core Strategy as aspiration and key priority for development of City Centre.
<b>Green Infra</b>	Development of new woodland (location not yet determined)	Not yet costed	None	Not yet costed	Ambition in the Core Strategy and other LCC plans but not costed as will be broken down into specific projects.
<b>Green Infra</b>	District wide child fixed play, MUGA, and skate/BMX improvements as result of new housing development	£35.3m	Provided on larger sites by developers circa £17.7m	£12.5m	<p>Example costs from S106 equivalent: At 2012 rates, greenspace calculator gives cost per child for play as £975. At 0.62 children per house and 0.1 children per flat = costs £605 per house and £98 per flat (rounded). Core Strategy housing figures of 74,000 dwellings gross to 2028, of which target is 25% flats, = total cost of child play £35,356,400.</p> <p>Some of this would be provided by developers within their sites, so assume it can be discounted by half (£17.7m). A proportion of the remainder will also be incorporated within the specific schemes listed below, and therefore there a further discount has been applied of £1.2m (community parks) + £4m (outdoor recreation) leaving a total gap of £12.5m.</p>
<b>Green Infra</b>	Green Infrastructure improvements in the Aire Valley	Not yet costed	None	Not yet costed	Green infrastructure and green space will be provided across the Aire Valley in relation to both specific development sites and structural masterplanning. Information on costs not yet available.

<b>Green Infra</b>	Improvements to greenspace quantity and/or quality as result of new housing development. Includes Playing pitch and facilities improvements at; Prince Philips Centre, Sharpe Lane Middleton, Woodkirk Valley, Neville Road Playing pitches, Thorpe Park Playing pitches, Rothwell Sports Centre, Fleet Lane, Tinsill Recreation Ground, The Crescent Tingley	£55.25m	None	£55.25m	<p>The increase in population will lead to need for new areas of greenspace as well as improvements to existing parks. Core Strategy housing figures of 74,000 dwellings gross to 2028, of which target is 25% flats.</p> <p>Example cost taken from the current S106 policy equivalent is £67,574,718. Assumptions are at 2012 rates, that maintenance is only taken for N2.1, 50% of all N2 greenspace would be provided within sites (and therefore no contribution necessary), and that a further 50% of the sites which do not provide it on site would be located within an area of adequate provision (and therefore no contribution for N2.2 and N2.3). Some of this £67.6m figure would also be incorporated within the specific schemes listed below, and therefore has been discounted by a further £3.6m (community parks) + £8m (outdoor recreation) + £75k (allotments) = £55.25m total cost.</p>
<b>Green Infra</b>	Outdoor recreation city wide	£20m	Developers via S106s (until CIL), £5m match funding in grants.	£15m	Parks and Countryside are responsible for the majority of parks and green spaces throughout the city. New housing growth and increased usage means that they will require investment to improve standards. Prior to the CIL being introduced S106 funding is generally used for this purpose, along with additional match funding from external sources (assume £5m).
<b>Leisure</b>	Aireborough Leisure Centre Refurbishment	£3.8m	None	£3.8m	Refurbish changing rooms, reception, and exterior, extend gym, access work. By 2020 and dependent on funding.
<b>Leisure</b>	Fearnville and East Leeds Leisure Centre replacement	£12.5m	None	£12.5m	Re-provision of Fearnville and East Leeds Leisure Centre in the form of one new, purpose built, wellbeing centre, with a commitment to deliver and resource by 2013 / 2015. Investment continues to be sought for this proposal, a PFI bid was unsuccessful. Develop a sustainable community asset transfer model in-line with this development. Cost £10m - £15m.
<b>Leisure</b>	Kippax and Garforth Leisure Centre replacement	£10.5m	None	£10.5m	Re-provision of Kippax and Garforth Leisure Centre in the form of one new or re-furbished swimming pool, fitness suite and other appropriate dry side sports facilities, with a commitment to resource and deliver by 2017. Cost £8m - £13m.
<b>Leisure</b>	Kirkstall Leisure Centre	£1m	None	£1m	Refurbish changing room, re-orientate reception, works to heating / lighting / ventilation, reception, access. By 2020 and dependent on funding.

<b>Leisure</b>	Pudsey Leisure Centre	£2m	None	£2m	New entrance and frontage, interior refurbishment, extend gym. By 2020 and dependent on funding.
<b>Leisure</b>	Rothwell Leisure Centre	£5.8m	None	£5.8m	Pool hall refurbishment - new atrium, circulation and relaxation area. Refurbish dryside changing, additional car parking, fitness studio / spinning area, extend gym. By 2020 and dependent on funding.
<b>Leisure</b>	Wetherby Leisure Centre	£1.4m	None	£1.4m	Refurbish changing rooms, extend gym, access work. By 2020 and dependent on funding.
<b>TOTAL FUNDING GAP TO 2028 POTENTIALLY FOR THE CIL</b>		<b>£1.53 billion</b>	-	<b>£1.24 billion</b>	<b>(Total cost = £1,532,235,000) (Funding gap = £1,240,705,000)</b>

## Leeds City Council Responses to Representations on the Preliminary Draft Charging Schedule

August 2013

Summary of Specific Comment	Representor	LCC Response
<b>CONSULTATION</b>		
Further public consultation must be carried out before any proposals are progressed to further stages as the PDCS is based on superseded guidance.	Sanderson Associates	Revised guidance was published during the PDCS consultation period and the Leeds CIL will be in compliance with it going forwards to Draft stage. However, it is not appropriate to 'retro-fit' the PDCS to it or to re-consult on the PDCS.
Need to make clear the supporting documentation for input/comment such as approach to payments in kind, further guidance etc.	Home Builders Federation Consortium, Land Securities	Relevant guidance and information will be published alongside the DCS.
Previous stakeholder event excluded communities with no front loading with local councils.	Resident - G Hall	The EVS has to be based on viability evidence. Therefore the stakeholder event was to discuss technical viability assumptions and required qualified experts to attend who could provide appropriate comments based on their work experience and professional qualifications. It would not have been appropriate to consult with community groups in relation to the production of this technical viability evidence. The PDCS is the front loading stage and included specific consultation with local communities.
Attached response previously submitted after stakeholder event September 2012 which requested that the EVS specifically consider specialist accommodation for the elderly.	McCarthy and Stone	Unfortunately GVA have no record of receiving the September 2012 letter. However, the matters raised within it have now been considered and are addressed elsewhere in this document.
Would like to meet to discuss the issues ahead of the Draft Charging Schedule stage.	Tesco Stores	If necessary to progress the DCS the Council will make further contact with Tesco or any other representor, but this is not required under the Regulations and it was the aim of the formal PDCS stage to gain such input.
The Leeds Infrastructure Study will be available by early autumn, so request discussion on this before consultation on the Draft Schedule.	Highways Agency	We will work with infrastructure providers in developing the R123 List as appropriate.
Look forward to being consulted further on future work related to the spending and governance mechanisms and the R123 List.	Environment Agency	We will work with infrastructure providers in developing the R123 List as appropriate.

<p>In September 2012 GVA made a presentation to the Scrutiny Board (Housing and Regeneration). Members were not advised of their terms of reference. The presentation raised more questions than it answered. At the October meeting of the Scrutiny Board (Housing and Regeneration), members were advised that the Executive Member considered that the GVA report was not "fit for purpose" and would fail the tests of soundness required by the examiner at the Inquiry. No reason for the Executive Member's view referred to above was provided, therefore it is unclear what changes may have been made to the GVA report that have led to the conclusion that it is satisfactory.</p> <p>In November 2012 the Scrutiny Board (Housing and Regeneration) resolved that a CIL working group should be established to take evidence from all stakeholders and gather evidence to help and inform the decision making process. The working group has never formally met nor taken any evidence, and therefore information and guidance that should have been available to the decision takers is not available.</p>	Resident - G Hall	<p>The tender for consultants to undertake the CIL Viability Study was sent to Mr G Hall on 5<sup>th</sup> December 2012 in response to a query relating to the Affordable Housing Scrutiny inquiry.</p> <p>GVA and officers gave a presentation to Scrutiny Board (Housing and Regeneration) in September 2012, on an overview of CIL and Viability Study methodology. At the October meeting there was an update on the initial findings of the draft Study. Officers had some concerns with the draft viability report for a number of reasons, primarily that the initial results showed that the charges would be less than currently gained through S106s. The purpose of having a draft report was to be able to discuss such concerns and modify the assumptions and viability assessments accordingly. A great deal of discussion and work by GVA and officers then went into making the necessary changes, with the final report received in January 2013. Officers and Members are happy that this provides appropriate evidence for setting the CIL rates. N.B. There are no tests of soundness for the CIL as it is different to a Development Plan Document examination. The Scrutiny Board agreed to set up a working group for the CIL, but for its first meeting to be postponed until the position had developed further and issues clarified. The PDCS consultation is not directly concerned with any ringfencing of the CIL.</p> <p>Scrutiny Board (Sustainable Economy and Culture) met on 7<sup>th</sup> March 2013 to consider a call-in request on the PDCS. The call-in request included the exact submission as this CIL representation by Mr Hall. The Scrutiny Board dismissed the call-in request and the Executive Board decision to proceed with the consultation was therefore agreed.</p>
<b>INFRASTRUCTURE FUNDING GAP EVIDENCE</b>		
<p>PDCS is premature and not based on appropriate evidence as UDP is not up to date, and Core Strategy date of adoption cannot be accurately planned due to objections for Examination. Therefore it is not possible to understand the infrastructure required to realise the future development and growth needs of the district. The EVS was published ahead of the IDP April 2013 as a key document on which it should rely.</p>	Ashdale Land, Carter Jonas	<p>The Regulations allow for front loading of the development of the CIL, as long as an up to date development plan is in place by the time the CIL is adopted. It is based on accurate up to date information. The infrastructure gap identified is indicative and is required to demonstrate that there is an aggregate funding gap and, therefore, demonstrates a need to develop a CIL; it is of a different purpose to the Infrastructure Delivery Plan which supports the delivery of the Core Strategy. The CIL rates have to be based on viability, not on infrastructure costs. The Draft IDP fed into the PDCS infrastructure gap paper and this has been updated in August 2013.</p>



<p>Concerned that the IDP at present is aspirational as opposed to a route map for delivery of essential infrastructure. The Charging Schedule and documentation must outline the positive actions proposed from the Council to enable the actual delivery of major infrastructure (e.g. borrowing and forward funding, City Deal etc).</p>	<p>Home Builders Federation Consortium, Land Securities, Leeds Property Forum</p>	<p>CIL has always only been one of the funding streams for new infrastructure. The CIL Guidance recognises that there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term (para. 14). Authorities are required to rely on evidence that is appropriate and available (para.12). It is not the role of the CIL to reopen examination for the Core Strategy (as set out explicitly in the guidance). The Charging Schedule needs to be positive and show how it supports the development plan, but equally the CIL is not the only funding source and so the infrastructure and other evidence for the CIL is not required to focus on all the other funding sources.</p>
<p>Greater clarity on how have arrived at the listed infrastructure projects.</p>	<p>East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates, SJS Property Management</p>	<p>The Justification Paper 'Infrastructure Funding gap' sets out the background to how the infrastructure projects were identified. It was based on an update of the February 2012 draft Infrastructure Delivery Plan as a result of further consultation and discussion with infrastructure service providers, with an assessment of whether the CIL was an appropriate tool for plugging any funding gaps. To support the DCS this has been updated in August 2013 based on the April 2013 IDP.</p>
<p>Would like to know what criteria were applied in selecting the four Strategic Route Network schemes in the justification paper in preference to other SRN schemes in the IDP.</p>	<p>Highways Agency</p>	<p>The Justification Paper was based on an update of the February 2012 draft Infrastructure Delivery Plan as a result of further consultation and discussion with infrastructure service providers, with an assessment of whether the CIL was an appropriate tool for plugging any funding gaps. Six SRN schemes were included in the Justification Paper. A further six SRN schemes were identified in the February 2012 draft IDP but not in the CIL Justification Paper because other funding sources were identified:</p> <ul style="list-style-type: none"> <li>- A58(M) Leeds Inner Ring Road Major Maintenance Scheme: fully funded and underway.</li> <li>- M621 J7 improvements and coordinated traffic signal control: to be developer funded as part of planning permission obligations.</li> <li>- M621 J7 as per Valley Park and M1 J44 measures additional to those obligated on Leeds Valley Park: to be developer funded as part of Skelton Grange Power Station planning obligations.</li> <li>- Aire Valley Leeds - M1 J44 measures additional to those obligated on Leeds Valley park: to be developer funded as part of Arla Foods planning obligations.</li> <li>- M621 Junction 2 Islington roundabout: funded via LTP3.</li> <li>- M62 J25-30 Managed Motorway use of hard shoulder and active traffic management during peak periods: under construction.</li> </ul>

<p>The justification paper is accurate for swimming pools but difficult to appreciate what other sports proposals are based on, and no projects listed for outdoor sport such as playing fields. Infrastructure gap focuses on LCC owned sites without understanding relationship with voluntary sector. Need to prioritise the list of infrastructure projects before next stage.</p>	<p>Sport England</p>	<p>The projects identified in the Infrastructure Funding Gap Justification paper are only required to “be informed by a selection of infrastructure projects or types (drawn from infrastructure planning for the area) which are identified as candidates to be funded by the levy in whole or in part in that area... The focus is on providing evidence of an aggregate funding gap that demonstrates the need to levy the CIL” (CIL Guidance 2013). There is a clear and large funding gap in Leeds. It does list a number of green infrastructure projects including outdoor recreation and community and city parks (which would encompass playing fields). The R123 List for the DCS stage will be more specific about the projects on which it is intended to spend the CIL, but it is not required to identify priorities within that list. Consideration will be given to the voluntary sector alongside all other infrastructure projects in drafting the R123 List. The 15% or 25% of receipts going to local communities also needs to be borne in mind for local funding of such activities.</p>
<p>The Green Infrastructure projects identified do not represent the true scale of infrastructure needed and focus solely on parks and allotments rather than enhancing the network of green infrastructure at a sub-regional scale. They fail to highlight the key purpose of Policy G1 which is to provide a ‘network of multifunctional green space’.</p>	<p>Yorkshire Wildlife Trust, Natural England</p>	<p>The infrastructure projects identified in the funding gap paper are indicative to show that there is a need to develop a CIL; it is of a different purpose to the Infrastructure Delivery Plan which supports the delivery of the Core Strategy.</p>
<p>Infrastructure gap projects do not mention public realm improvements.</p>	<p>English Heritage</p>	<p>The infrastructure projects identified in the funding gap paper are indicative to show that there is a need to develop a CIL; it is of a different purpose to the Infrastructure Delivery Plan which supports the delivery of the Core Strategy.</p>
<p><b>S106 EVIDENCE</b></p>		
<p>Average office S106 is based on only four schemes of which only one is purely City Centre office. Need more fair representation.</p>	<p>Leeds Property Forum</p>	<p>Other evidence alongside signed S106s was produced in particular for City Centre offices in the office justification paper. The S106 evidence was based on an average of the last year’s signed S106s. It was considered representative of the current economy and useful as a broad brush indication of potential S106 levels (and the best available evidence) as required by the CIL guidance, while acknowledging that it is not the only evidence source. This approach has been confirmed e.g. by the Central Lancashire Examiner’s Report: “An analysis of comparative transactions current at the time the appraisal work was undertaken has also been used. The Councils concede that the number of sites examined is limited to ‘less than a handful’, apparently because these were the only current transactions at the time of the evidence gathering exercise. While not ideal in scope, this evidence nonetheless introduces an element of wholly local information with a firm basis in reality. Whether it is entirely representative is questionable, given the sample size. Nevertheless, it lends a reasonable, local reality check.”</p>

Average retail S106 based on only two schemes (Armley and Guiseley). Need more fair representation.	Land Securities, Leeds Property Forum	The S106 evidence was based on an average of the last year's signed S106s. It was considered representative of the current economy and useful as a broad brush indication of potential S106 levels, while acknowledging that it is not the only evidence source. The two retail schemes identified in this period gave an average S106 cost of £57psm and £74 psm. If these were above the CIL rates proposed then it could be an argument that the CIL rate should be increased, based on the demonstrated ability of developments to pay (i.e. the justification for the nominal £5 rate). Historic S106 payments are not the amount which retail can afford to pay, but the amount they have been asked for under the current SPD regime. This has been balanced against the EVS and other additional recent retail evidence.
Do not make sufficient allowance for S106s and/or S278s.  More clarity on S106 figures and further evidence used to inform Table 17 of the EVS in relation to the proportion of funds which are to be replaced by CIL per dwelling/residual site specific S106 per dwelling. There is a risk of double dipping.	Asda, East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates, Morrison Supermarkets, Home Builders Federation Consortium, Leeds Property Forum	Consider have given sufficient clarity on S106 figures in the background justification paper. The average contributions secured from S106s is set out at Appendix II of the EVS and this is taken forward into Table 17. However, the majority of existing S106 payments (greenspace, education and public transport improvements) will be replaced by the CIL, plus site specific requirements on large sites. As set out at Section 7.21 of the EVS it applies the full S106 costs when determining the market value benchmarks but when appraising the impact of CIL only the residual site specific S106 costs are applied. This approach removes/avoids the risk of 'double dipping'. The Regulations are clear that double dipping is to be avoided and it is considered that alongside the R123 List and in practice the S106s requested, that double dipping will not occur and has been modelled appropriately.  Presently, there are no arrangements for the relationship between S278 agreements and CIL to be visible or regulated in the same way as pooled contributions under section 106 planning obligations. The Government's recent CIL Consultation sought views on the proposal that Reg123 should be extended to include S278 agreements, so that they cannot be used to fund infrastructure which is on the local charging authority's CIL list, the outcome of this is yet to be announced.
No evidence to show if previous S106 evidence has been prepared or considered for benchmarking.	Sainsbury's Supermarkets	S106 evidence was provided in the background justification paper published alongside the PDCS.
The S106 info does not form part of the EVS and should be given no weight.	Ashdale Land, Bupa	The CIL has to be based on appropriate available evidence, and the S106 data is an element of this alongside the EVS and does hold weight. The April 2013 CIL Guidance also now requires data on historic S106s to be provided.
The level of potential highways contributions is excessive in adding the CIL to existing site specific contributions to public transport infrastructure, Travel Plan monitoring and Metrocard provision.	Sanderson Associates	The S106 data in the assumptions already includes travel plan payments which includes, for example, monitoring and Metrocards. The current S106 contributions to public transport infrastructure (as collected through the Public Transport Improvements Supplementary Planning Document) would be subsumed within the CIL, not in addition to it.

<p>In accordance with guidance need to “set out those known site-specific matters where S106s contributions may continue to be sought.”</p>	<p>Land Securities, Leeds Property Forum</p>	<p>This quote is an extract from the CIL Guidance April 2013 (para 15) “The charging authority should set out at examination a draft list of the projects or types of infrastructure that are to be funded in whole or in part by the levy. The charging authorities should also set out those known site-specific matters where S106 contributions may continue to be sought. The principal purpose is to provide transparency on what the charging authority intends to fund in whole or part through the levy and those known matters where section 106 contributions may continue to be sought.” The S106 justification paper provides the overall approach on this, i.e. that it is assumed that travel plans and highways would continue to be provided in future by S106 alongside the CIL, and that the other types (greenspace, public transport improvements, education, community benefit, play areas, and public realm) would normally be subsumed within the CIL. This will be expanded at the Draft Charging Schedule stage by the R123 List and associated explanation, and will also need further elaboration through the Site Allocations Plan.</p>
<p>In the averages of S106 per dwelling for schemes under 50 units, all the figures are between £1,500 - £3,611 per dwelling except two figures of £132 and £138 per dwelling that considerably reduce the average and distort the land value.</p>	<p>Home Builders Federation Consortium</p>	<p>Both of these schemes referred to are under 50 units. As a test the calculations have been rerun without these two schemes included in the S106 data.</p> <p>In the original modelling for schemes under 50 units, the average S106 per dwelling was £2,153. Of this £1,920 were the tariff type contributions which would be replaced by the CIL. Therefore a remainder of £233 per dwelling was allowed for S106 contributions alongside the CIL.</p> <p>Without the two schemes, the average S106 per dwelling is £2,341 (£188 increase). Of this £2,096 are the tariff contributions to be replaced by the CIL (£176 increase). Therefore a remainder of £245 per dwelling would be allowed for S106 contributions alongside the CIL.</p> <p>Therefore the residual site specific S106 per dwelling would only be £12 more than the original figure modelled. Although the EVS attempted to make the S106 input as accurate as possible, it is considered that an additional £12 per house (14 pence per sqm) would not make such a significant difference that all the appraisals need to be rerun as there is a sufficient viability cushion included within the calculations and the PDCS.</p>
<p>Evidence base has been linked to historical S106 which in the last two years have delivered very low levels of funds. Therefore the rates are artificial and have been set very low to encourage development especially in highest zone. It will lead to over development in Harewood and devalue the current housing stock.</p>	<p>Resident - M, L, and A Fox</p>	<p>The CIL Regulations and Guidance is clear that the rates have to be set based on current market conditions and current evidence, therefore the current S106s levels have to be taken into consideration. The CIL rates must also be set taking into consideration the cumulative impact of current planning policies that are likely to remain under a CIL regime. The CIL aims to support the development plan by encouraging development but will not in itself lead to overdevelopment or devaluation of existing housing; housing sites will be identified through the Site Allocations Plan.</p>

CHARGING ZONES AND SPECIFIC BOUNDARIES		
Support the different charging zones.	SJS Property Management	Support welcomed.
<p>Zones in the PDCS are not the same as those within the previous EVA for affordable housing and the SHMA updates and therefore are not consistent. No justification or evidence to demonstrate why this is the case, e.g. land to the east of Garforth. The change of boundary has resulted in Cookridge, East of Leeds, Micklefield, and Otley moving from a medium zone to the highest and will stifle development. Market values demonstrate they are medium value area (£45 psm) and can't sustain the £90 CIL rate.</p> <p>Micklefield, East Leeds, Calverley and Horsforth are in same zone as Aberford, Scarcroft, Thorner, Boston Spa, Wetherby, Yeadon and Bramhope yet are unable to generate same yields.</p>	<p>Home Builders Federation Consortium, Taylor Wimpey, East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates, Ashdale Land</p> <p>East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates</p>	<p>A separate justification paper 'Evolution of Housing Charging Zones' has been produced to respond fully to boundary issues, which includes maps showing the evolution of the approach. Charging zones should only be defined by the viability of development within them. The guidance is clear in that it should not be assumed that existing administrative or policy boundaries will always be appropriate. In responding to such representations there is a risk that it could lead to the level of assessing CIL viability based on every individual settlement/neighbourhood, and this would be contrary to the CIL guidance. However, some changes have been proposed as a result of the representations received and these are set out below.</p> <p>In summary of the Justification paper, the Council's current affordable housing policy comprises both the interim Affordable Housing Policy June 2011, and Supplementary Planning Guidance (SPG) 2003 and SPG Annex 2005, Annex revision 2012). The current targets for affordable housing are split between five housing market zones; outer area / rural north, outer suburbs, inner suburbs, inner areas and City Centre. The affordable housing zones which relate to the interim targets do not align exactly with those identified within the affordable housing EVA. Instead the Council interpreted the results of the EVA and applied these to the original housing market areas. The same approach has been taken in the EVS. The existing SPG and Interim Policy are being replaced with a Supplementary Planning Document (SPD), for consultation later in 2013. A Draft of the SPD was published for consultation in 2008 which identified three main housing areas; the City Centre, the Inner Area and the Outer Area. Representations on the draft SPD included several comments that the Outer Zone was too large and should be split further. It was therefore divided into the Golden Triangle Area (the northern part) and the Outer Area (the southern part) resulting in 4 housing market areas. These housing areas were used as the basis for analysis for producing key sources of evidence including the EVA and the SHMA update 2010. The CIL EVS based its assessment on the same market geographies and beacon settlements as the EVA in order to ensure consistency.</p> <p>However, because the Outer South has diverse housing markets it became apparent that it would need further sub division for the CIL to prevent undermining of the affordable housing targets. This resulted in its split into the 'Outer Central' zone and the 'Outer South' zone in the PDCS. The Regulations require the zone boundaries to be defined on an OS map base and the existing plan was not sufficiently detailed. It has been updated taking into account the EVS evidence. It is inevitable with variable rates that a boundary has to be drawn somewhere.</p>

Summary of boundary changes following PDCS consultation (N.B. the zone names have slightly changed since the PDCS.)

- Land to east of Garforth and Micklefield now in South (£45 psm) with boundary with the North (£90 psm) moved northwards along the M1/A1.
- South (£45 psm) extended to include all of the former Outer Central area to the west/north of the City Centre/Inner Area i.e. Pudsey, Farsley, Bramley, Kirkstall, Meanwood, Moortown, Chapel Allerton, Roundhay.
- Outer (£23 psm) remaining around Middleton but with boundaries extended outwards to the A6110 / railway line to the southwest, and the M62 / M1 to the southeast.
- Outer (£23 psm) to the west of the Inner Area remaining as in PDCS, but boundary moved outwards to lie along the outer edge of the East Leeds Extension, i.e. along the edge of the Green Belt.

Micklefield and land east of Garforth - the nearest settlement to Micklefield is Garforth (a medium value beacon in the outer south). The EVS demonstrates that average land values (market value benchmarks) are approximately £114,500 per acre (excluding small sites) for these settlements. The average land value within medium beacon settlements falls to £87,500 per acre with CIL at £50 psm (assuming Code 4). This is below the £100k threshold for unconstrained sites and reflects a drop in value of circa 24%, so this is marginal. In this context it is proposed that Micklefield and land to the east of Garforth be included within the South zone (£45 psm), with the boundary revised to be the M1/A1.

East Leeds Extension (ELE) – The original Housing Characteristics Areas map placed the majority of the ELE within the Outer South area. The PDCS map for the CIL placed it in the Outer North, with the boundary between the Outer North and the Outer Central being the inside edge of the allocation. This was to reflect that it is greenfield. However, in recognition of the high S106 requirements from this site (in particular the funding of the East Leeds Orbital Route), that its closest housing markets would be Whinmoor and Manston rather than the northern villages, and the representation from the North Quadrant Consortium, it is agreed that it would be more appropriate for it to be within the Outer area (£23 psm). The boundary has therefore been rationalised slightly so that all the ELE allocation is within this zone.

Otley – Otley has always been in the outer north area for modelling in the EVA and the EVS, and the PDCS maintained this with no change.

Cookridge – The EVS has shown that Horsforth (medium value beacon settlement) can sustain a CIL charge of £100 psm. At £100 psm CIL (and assuming Code 4) the land value is £134,000 per acre, which is higher than the £100k benchmark. Whilst there is a difference in the average house prices for Horsforth and Cookridge, they are not considered sufficiently different to warrant it being in a different zone, indeed, semi-detached average sales were higher in the last twelve months in Cookridge than Horsforth. This is also because the rate for the Outer North is an average taken from the low, medium and high beacon settlements, and because of the other requirements in the CIL guidance

		<p>concerning simplicity etc. The Evolution of Housing Zones Justification Paper explains in more detail why Cookridge was included in the Outer North zone. <u>Horsforth, Aberford, Scarcroft, Thorne, Boston Spa, Wetherby, Yeadon and Bramhope</u> are all included within the original 'Golden Triangle Area' on the Housing Characteristic Areas map, which was used as the basis for analysis for producing key sources of evidence including the EVA and the SHMA update 2010. To ensure consistency the EVS also aligned itself with the EVA and based its assessment on the same market geographies. Therefore, the CIL charging schedule has simply carried across the existing value allocation and applied the corresponding rates from the EVS. This was to ensure consistency with the existing evidence base but also to ensure that CIL would not undermine the delivery of the affordable housing targets.</p> <p><u>Calverley</u> – Consider that it exhibits similar characteristics to Horsforth and it was therefore included in the Outer Northern Area in the PDCS.</p>
<p>Would like to see the boundary revised to the previous proposal for 8 market areas of sales values as in Table 15 of EVS.</p>	Taylor Wimpey	<p>A separate justification paper 'Evolution of Housing Charging Zones' has been produced to respond fully to boundary issues. The EVS aligns itself with the market value geographies / housing areas, which have been used as the basis for analysis for producing key sources of evidence including the EVA and the SHMA update 2010. This resulted in 4 housing market areas. However, because the outer area is diverse in terms of housing markets it became apparent that the area would need further sub division to prevent undermining of the affordable housing targets. This has resulted in the outer area being split into the 'outer central zone' and the 'outer southern housing zone'. This has created 5 housing market areas. It is the future intention for the affordable housing boundaries to be aligned with the CIL charging zones.</p>
<p>Inner Area should encompass the Seacroft Hospital site and Cross Gates. Would use the Leeds-York railway to the south and the A6120 to the east of Seacroft Hospital. Would better reflect the characteristics of the local housing market of Osmondthorpe and Harehills rather than e.g. such as Whitkirk and Chapel Allerton, and Seacroft has more in common with the Inner Area in terms of Indices of Multiple Deprivation. It would also align with the EASEL boundary, recognising the importance of the Seacroft Hospital site in helping to deliver regeneration aspirations for that area.</p>	Homes and Communities Agency and Leeds Teaching Hospitals NHS Trust	<p>A separate justification paper 'Evolution of Housing Charging Zones' has been produced to respond in more detail to the issue of boundaries and boundary changes. The Seacroft hospital site was included in the outer area with respect to the housing market areas that informed the EVA and SHMA update 2010, and remained in the 'outer central zone' for the CIL PDCS. It is the future intention for the affordable housing boundaries to be aligned with the CIL charging zones. The new housing to be built on the Seacroft Hospital site is assumed will better reflect Whitkirk and Cross Gates rather than Osmondthorpe and Harehills. In this context it is considered that the A64 York Road provides the best boundary between Seacroft/Cross Gates and Osmondthorpe and Harehills (which have different housing market characteristics). The EASEL boundary was drawn for a different purpose, and the CIL boundaries also cannot reflect regeneration aspirations, only viability.</p>

<p>Zones need more justification. Residential zones are too broad and generalised. Realise that there is national guidance and regulations but not satisfied that the outcome has enough fine tuning to take account of the realities of individual sites. This should be taken up with the government. Concern that greenfield housing development might be diverted towards the cheaper southern zone. A step from £45 sqm to £90 sqm between adjoining areas of land seems unreasonable.</p>	<p>Resident – M, L, and A Fox, Sanderson Associates, Morley Town Council Planning Committee, Resident - G Hall</p>	<p>The creation of more charging zones was considered including by Development Plan Panel, but the CIL guidance is clear that zoning should be as simple as possible, and that all zones need to be supported by viability evidence. Splitting the District into smaller areas would be vastly complex, require a much more time intensive and expensive viability study, and would be very liable to challenge at Examination. Although there will be individual differences within each of the zones, the proposed rates take the range of these factors into account and are based on allowing the majority of development to come forwards. Other authorities have had their CIL zones accepted at Examination with such stepped increases as it is inevitable with variable rates that a boundary has to be drawn somewhere. Detailed information on the site sampling is outlined in the GVA report. The Study methodology is based on guidance and best practice including from the Planning Advisory Service, Planning Officers Society, and Royal Institute of Chartered Surveyors. It is considered to be in line with the CIL Guidance, and in particular with paragraphs 25 – 27 in relation to sampling including fine grained sampling. Therefore the Council considers that the charging zones do recognise the different characters of the areas across Leeds, while being limited to the extent to which further divisions can be reflected in the PDCS.</p>
<p>Should include all the Chapeltown conservation area in the Inner Area as otherwise might potentially discourage investment in the northern part.</p>	<p>English Heritage</p>	<p>The Regulations set out that any zones have to be based on viability, so they cannot be set solely based on regeneration or conservation areas. The northern extent of the Chapeltown conservation area is heavily built up with very little, if any, opportunity for new development without existing conversion or demolition. Any development would be very small scale. Therefore as the CIL is only charged on the net increase in development (i.e. not on conversion or redevelopment after demolition) it is not considered likely that new investment would be discouraged solely by the CIL and there is no need to alter the boundary in this regard.</p>
<p>Unclear on what basis boundary is drawn around the Garforth area, the M1 and A1 might be more appropriate. The land south of the M1 was not included in the Aberford Neighbourhood Plan area as it bore more relationship with Garforth, so a similar exclusion should be in the CIL.</p>	<p>URS Infrastructure and Environment UK</p>	<p>A separate justification paper 'Evolution of Housing Charging Zones' has been produced to respond fully to boundary issues. It is agreed that Micklefield and land to the east of Garforth should be included within the South zone (£45 psm) so that they are in the same zone as Garforth, with the boundary with the North to be the M1/A1.</p>
<p><b>VARIABLE RATES AND THRESHOLDS</b></p>		
<p>Support lower retail rate for large retail units in the City Centre to encourage continued investment.</p>	<p>English Heritage</p>	<p>Support welcomed.</p>
<p>Agree in setting variable retail rates.</p>	<p>Aldi</p>	<p>Support welcomed.</p>
<p>Support a higher rate of CIL for developments outside of the City Centre as that will discourage out of town developments.</p>	<p>Resident - M, L, and A Fox</p>	<p>Support welcomed, however, the retail rate (above 500 sqm) is the same for any location outside of the City Centre, whether in a designated centre or out of centre. The rates have been set based on viability rather than on policy considerations of directing retail to in centre locations.</p>



<p>Disagree in setting variable retail rates based on size/scale as at odds with government guidance and no evidence that smaller units are used for a substantially different purpose than larger units.</p> <p>The viability evidence is not sufficiently fine grained to support the proposed size threshold.</p>	<p>Asda, Sainsbury's Supermarkets, Land Securities, Leeds Property Forum</p>	<p>Setting retail rates based on a different use as shown through size and scale is not at odds with government guidance, e.g. Regulation 13(1)(b) allows charging authorities to set different levy rates within their area by reference to "different intended uses of development," and the revised CIL Guidance clarifies that "uses" does not have the same meaning as "use class". This approach has been agreed at various CIL examinations around the country. E.g. the Examiner at the Wycombe DC CIL Examination supported differential retail rates based on viability evidence, which demonstrated differences between supermarkets and other retail and agreed that supermarkets are different uses based on their characteristics and markets. The Government's recent consultation on CIL further reforms proposes to amend the Regulations to allow different rates to be applied to both different uses and scales of development, and if this is taken forwards it would give further support to this approach.</p> <p>The guidance states that where a charging authority is proposing to set differential rates, it may want to undertake more fine-grained sampling to identify a few data points in estimating the zonal boundaries or different categories of intended use'. The EVS therefore specifically provides a range of appraisals for different types and sizes and location of retail schemes which would be appropriate evidence if the results recommended variable rates. This was modelled within and outside the City Centre, and included all the 'A' use class, plus the following breakdown:</p> <ul style="list-style-type: none"> <li>- Convenience Stores 372 sqm on a site area of 0.09 ha</li> <li>- Traditional Retail (non food) A1 800 sqm on 0.09ha.</li> <li>- Retail Warehouse 1,500 sqm on 0.38 ha</li> <li>- Supermarkets 2,500 sqm on 0.63</li> <li>- City Centre Comparison Retail 4,645 sqm on 0.58</li> <li>- Superstores 4,000 sqm on 1 ha</li> <li>- Hypermarkets 6,000 sqm on 1.50 ha</li> </ul>
<p>No evidence presented by LCC to demonstrate the difference between 499m unit and 501m unit therefore no viability evidence to demonstrate differential rates.</p>	<p>Sainsbury's Supermarkets</p>	<p>The EVS proposed a threshold of 500 sqm as it sought to distinguish between smaller local traders and national / multiple operators, which have very different market characteristics. In considering the threshold regard was had to the definition / size threshold within Sunday Trading Law, set at 280 sqm trading area. A larger threshold of 500 sqm was applied to take into consideration non sales floor space (CIL is charged on the gross area) and to allow some flexibility for both slightly larger convenience stores and smaller supermarkets to be developed (largely discount operators) to be developed providing an appropriate margin between different types of store able to support a CIL charge. Examiners have supported differential retail rates based on viability evidence, which demonstrated differences between supermarkets and other retail and agreed that supermarkets are different uses based on their characteristics and markets.</p>
<p>Viability evidence does not demonstrate the difference between in/out City Centre with no justification for differential rates.</p>	<p>Sainsbury's Supermarkets</p>	<p>The retail appraisals were tested on scenarios both within and outside of the City Centre, across a range of types of retail, as demonstrated in Table 10 of the EVS, and as in the conclusions in Paragraphs 7.37 and 7.38. Therefore it is considered that there is adequate justification for the differential rates proposed.</p>

Statements made on the traffic levels of supermarkets is incorrect as in practice the vast majority of shopping trips to a supermarket are either trips which are already on the network as pass-by or diverted trips. The level of new trips can be as low as 10% and so the impact of a new development does not relate to pure trip rate generations or proposed floor space.	Sanderson Associates	The CIL rates have to be set based on viability, not on the trip rates which new developments would cause.
<b>£5 NOMINAL RATE</b>		
Support the £5 rate for every development rather than a widespread zero rating.	Barwick in Elmet & Scholes Parish Council, Morley Town Council Planning Committee	Support welcomed.
No evidence for nominal £5 psm rate, contrary to EVS.	Ashdale Land, Bupa, Hammerson UK Properties, Morrison Supermarkets, SJS Property Management, Home Builders Federation Consortium, Land Securities, Leeds Property Forum	The evidence for the nominal £5 psm rate is as set out in the Justification Paper 'Leeds Historic Section 106 Data' (and referenced in the EVS). This is based on matching the demonstrated performance of S106 agreements as the very least that should be considered, on the basis that this is a level which is viable. This paper set out S106 data for previous years in order to determine this minimum level of CIL which should be collected. The key conclusion is that a wide range of use types currently pay S106 contributions of more than £5 psm and therefore this is justified as a nominal rate. This is 'real life' evidence to balance against the EVS which is necessarily more hypothetical and strategic in approach. In addition, £5 psm is a very small % of the total development costs and is therefore very unlikely to be the deciding factor as to whether a development becomes viable or not. Paragraph 39 of the CIL Guidance states "If the evidence shows that their area includes a zone or use of development of low, very low or zero viability, charging authorities should consider setting a low or zero levy rate in that area or for that use (consistent with the evidence)." If authorities were required to <u>only</u> set a zero rate where the EVS showed zero viability this would be set out explicitly, but paragraph 39 is clear that it is possible to also set a low levy rate in such situations.
Charging even as little as £5 sqm will encourage the keeping of financial records, which should be helpful during the first review.	Morley Town Council Planning Committee	Agree that having records of developments which pay this nominal fee will be useful in annual monitoring and in any future reviews to the CIL Charging Schedule.
May not be worthwhile collecting payments at £5 rate due to administration costs.	Bupa	It is considered that the amounts potentially to be collected via the £5 rate will be worthwhile in total in terms of administration costs, in the same way in which S106s are collected at present.

<b>PROPOSED ZERO RATE</b>		
Support zero rate and its tight definition.	Morley Town Council Planning Committee, Resident - M, L, and A Fox	Support welcomed.
Zero rate should not be applied to Council developments, offices or bases as there is no justification for LCC not being charged the same as the private sector.	Sanderson Associates	The justification for the Council not being charged the same as the private sector (i.e. within the category 'development by a predominantly publicly funded or not for profit organisation, including sports and leisure centres, medical or health services, community facilities, or education') is that because such developments are not built for profit, they would inherently not be viable on a standard appraisal basis. They are also often grant funded and would be the types of infrastructure development which the CIL would contribute towards, therefore it would be counter intuitive to also charge the CIL on them.
It isn't clear whether this applies to projects built by charitable organisations.	Bardsey Parish Council	CIL Regulation 43 requires that developments are exempt from liability to pay the CIL if owned by a charitable institution and the chargeable development will be used wholly or mainly for charitable purposes.
<b>IMPACT ON DELIVERY OF CORE STRATEGY</b>		
A CIL rate that prevents accommodation for the elderly coming forward would threaten the deliverability of the development plan under the NPPF and CS Policy H8.	McCarthy and Stone	The EVS concluded that residential institutions / care homes were not able to support a CIL charge despite evidence that some schemes had been brought forward for development. In this context the PDCS recommends a nominal charge of £5 psm will apply to these uses which will indirectly support the intention of Core Strategy Policy H8. For the reasons explained below, it is considered that the CIL will also be viable for elderly accommodation which falls within the remit of Class C3 residential.
EVS needs to align with the proportion of planned land supply in the Core Strategy i.e. in line with the housing trajectory in the AMR. Cannot see which market value areas are the most prominent and important in delivering the planned land supply. No analysis as to what proportion of each type of land (i.e. previously developed industrial land, greenfield land, existing residential land) is situated in each value area, thereby identifying the most prevalent combination of value area and land type. It would then be clear as to the most appropriate benchmark land value with which the resulting residual land values should be compared, for each of the market value areas.	East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates, Home Builders Federation Consortium, Land Securities, Leeds Property Forum	All the market value areas are important in delivering the planned land supply. Site phasing has not yet been identified and this will come through the Site Allocations Plan. The Core Strategy does not rely on any strategic sites, therefore all the typologies tested in all the areas will be important. For instance, the Core Strategy (Policy H1) identifies a 65% brownfield target for the first five years. The EVS considers both greenfield and brownfield land supply and reflects this fact in the sites / typologies modelled within each of the value areas. In determining what benchmark values to apply the EVS determines what the appropriate market value would be for each typology by undertaking a residual land value. This benchmark is the market value of the land in question having regard to all the known development costs including the current S106 obligations / requirements. The benchmarks applied within the EVS are set out in Tables 11 to 14 and Tables 22 to 25. The impact of future policy requirements is then assessed by reference to their impact on the benchmark values. The approach is clearly set out within Section 7 of the EVS and accords with RICS Professional Guidance (Financial Viability in Planning (1 <sup>st</sup> Edition)).

General EVS not viable and damaging to LCC policies and development plan.	Carter Jonas, Hammerson UK Properties, Sanderson Associates	This statement is disagreed with as the EVS does show some development to be viable across the District. Where development is currently unviable this is as a result of current economic conditions and the CIL rates have been set accordingly (zero or nominal charge). Therefore it is not considered that the CIL will be damaging to the development plan. Paragraph 173 of the NPPF requires the Council to take account of the cumulative impacts of proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. The CIL Guidance paragraph 29 states "In proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole. They should also take into account other development costs arising from existing regulatory requirements, including taking account of any policies on planning obligations in the relevant Plan (in particular those for affordable housing and major strategic sites)". The EVS methodology has taken these requirements into account and therefore the Council considers it is supportive of the development plan. These respondents have also submitted further detailed points relating to this overarching comment, and these comments have therefore been addressed separately.
<b>VIABILITY BUFFER AND APPROPRIATE BALANCE</b>		
Proposed rates are appropriate and in line with the evidence, led by current viability of developments.	Bardsey Parish Council, Collingham with Linton Parish Council, English Heritage, Harrogate Borough Council, Homes and Communities Agency, Wakefield Council, Yorkshire Water, Highways Agency, Metro, URS Infrastructure and Environment UK	Support for overall CIL rates welcomed.
Rates proposed are not ambitious enough.	Yorkshire Wildlife Trust	The rates are based on viability and have been set at what the Council considers is an appropriate balance. Although a viability cushion has been included from the maximum possible, setting rates higher would risk affecting the viability of development as a whole.
Retail contributions should be lower as they do not create the need for education or greenspace.	Sanderson Associates	The CIL rates have to be set based on viability, not on the specific infrastructure requirements they give rise to.
Office rates have been set very low to stimulate growth, but this will not occur it will just increase the margin for developers.	Resident - M, L, and A Fox	The CIL rates have to be set based on viability.

Welcome the adopting of a lower rate for City Centre retail than suggested in the EVS.	Hammerson UK Properties	Support welcomed. A lower rate has been used to accord with guidance that rates should not be set at the potential maximum. This has been further reduced since the PDCS.
The PDCS is not an appropriate balance.	Ashdale Land, East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Tesco Stores, Thornhill Estates	This statement is disagreed with as consider an appropriate balance has been set, and that it reflects the evidence accordingly. The Harman report states as one of its key principles is that “planning authorities will often need to strike a balance between the policy requirements necessary to provide for sustainable development and the realities of economic viability.” There is a clear and large funding gap which justifies the requirement to charge a CIL. However, these respondents have also submitted further detailed points relating to this overarching comment, and these comments have therefore been addressed separately.
10% should be applied to all categories (or zero where zero viability in the EVS). No evidence to demonstrate why in the outer southern areas a 4% deduction is acceptable. Must be a viability buffer incorporated either into the benchmark land value or elsewhere through the CIL assessment process.	Home Builders Federation Consortium, Ashdale Land	In the Outer Central area it is accepted that the standard 10% reduction from the EVS figure of £25 would be £23 (rounded from £22.50), not the £24 cited in the PDCS. It is therefore proposed to alter this rate in the final Charging Schedule from £24 to £23 psm. Viability buffers have been set through the EVS including a 5% overall contingency.
No evidence to demonstrate how the 10% reduction from maximum viability has been established, it is not high enough. Shows too much confidence in EVS.	Home Builders Federation Consortium, Ashdale Land, East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates	It is up to each authority to decide the appropriate balance of their CIL based on their own evidence and circumstances. This is clear in the CIL Regulations and Guidance, e.g. Regulation 14, where the Charging Authority “must <u>aim</u> to strike <u>what appears</u> to the charging authority to be <u>an</u> appropriate balance...” (emphasis added). There is no singular appropriate balance, it is a matter of judgement, and it therefore appears to Leeds City Council as the charging authority that 10% for residential is appropriate. This is because of the confidence in the approach taken in the EVS and the viability cushions and contingencies already included within it, the historic S106 evidence, and the large infrastructure gap. Together these mean it is considered appropriate to discount by 10% without affecting the viability of development as a whole across the District. This confidence is reflected for instance in that the Leeds rate which is 10% below the EVS maximum in the Outer North, is only £5 more than the bordering Harrogate rate which is around 38% of their viability assessment maximum.
Many authorities set at 50% of maximum. The EVS states it is important that the rates are not set at the maximum but this has been ignored. Rates at 90% of EVS maximum are not suitable to retail which is often site specific and so the appraisal assumptions can vary widely.	Morrison Supermarkets	It is up to each authority to decide the appropriate balance of their CIL based on their own evidence and circumstances. In Leeds the confidence in the approach taken in the EVS and the viability cushions and contingencies already included within it, the historic S106 evidence, and the large infrastructure gap mean that it was considered appropriate to ‘only’ discount by 10% for the retail rate without affecting the viability of development as a whole across the District. The rates have not been set at the maximum and therefore are in accordance with the guidance. However, further evidence has been produced since the PDCS which the Council has taken into account in its judgement of the appropriate balance and resulted in a further decrease in the retail rates.

ECONOMIC VIABILITY STUDY – GENERAL		
<p>Difficult to see anywhere within the supporting evidence base how the rates have been arrived at in light of the results provided. Do not feel the evidence clearly demonstrates that the proposed rates would not jeopardise the delivery of the planned land supply. EVS doesn't contain sufficient evidence and is lacking the actual appraisals, all input data and calculations, and source of land values. It is not explicit in the methodology how the calculations have been applied to achieve the CIL rate. Appraisal assumptions and sensitivity analysis have also not been made clear.</p>	<p>Home Builders Federation Consortium, Land Securities, Leeds Property Forum, Morrison Supermarkets</p>	<p>The methodology is clearly set out in Section 7 of the EVS. The EVS calculates the market value (benchmarks) for each of the development typologies by way of a residual appraisal and assumes current values and all known costs including S106 contributions but excluding the costs associated with CIL and other emerging policy requirements. To assess the impact of emerging development plan policies (including CIL) a second set of appraisals is then run which appraises what impact each emerging policy has on the market value (benchmark). This is the recognised approach in RICS Guidance (Financial Viability in Planning).</p> <p>All input data used within the appraisals is set out in detail at Appendix III of the EVs. Individual appraisals were not provided as part of the Study because it appraised more than 275 residential scenarios, however, these can be provided on request and are being compiled. The sensitivity analysis is also clearly set out within Section 8 of the EVS. The EVS considers both greenfield and brownfield land supply and reflects this fact in the sites/typologies modelled within each of the value areas. The CIL rates have been set based on the viability results and, therefore, the rates in isolation are not considered to jeopardise the delivery of the planned land supply.</p>
<p>The overall methodology of seeking to determine viability on a residual valuation exercise is appropriate, but do not agree with the land values adopted.</p>	<p>Home Builders Federation Consortium</p>	<p>The RICS Guidance (Financial Viability in Planning) defines 'site value' whether this is an input into a specific scheme appraisal or as a benchmark, as the market value subject to the 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. For the purpose of the EVS the benchmarks (market values) have been calculated via the residual appraisal process and assume current values and all known development costs including S106 contributions (set out at Appendix III of the EVS) but excluding the costs associated with CIL and other emerging policy requirements. This mimics the approach of virtually all developers when purchasing land and establishes the true / accurate reflection of market value which is then used as the benchmark for assessing the impact of emerging policy (including CIL). This approach accords with the RICS Guidance.</p>
<p>Many of the viability assumptions are completely divorced from reality and so PDCS is fundamentally flawed.</p>	<p>McCarthy and Stone</p>	<p>It is disagreed that the PDCS is fundamentally flawed, but this respondent has also submitted further detailed points relating to this overarching comment, and these comments have therefore been addressed separately.</p>
<p>Need flexibility in the Schedule to allow consideration of the viability of a development scheme in order to gain the appropriate level of contribution.</p>	<p>Hammerson UK Properties</p>	<p>The CIL Regulations do not allow flexibility in negotiations on individual developments over CIL payment once the CIL is adopted (other than for exceptional circumstances relief). It is considered that this flexibility will be within the Charging Schedule by virtue of the appropriate balance which has been considered.</p>

<b>VIABILITY - RESIDENTIAL</b>		
Should not have one CIL rate for all forms of residential development given the extent of projected housing need for older person's accommodation. Including retirement housing within a general residential heading fails to acknowledge the very specific viability issues associated with such specialist accommodation for the elderly.	McCarthy and Stone	The EVS concluded that residential institutions / care homes were not able to support a CIL charge despite evidence that some schemes had been brought forward for development. In this context the PDCS recommends a nominal charge of £5 psm will apply to these uses. The elderly accommodation as proposed by McCarthy and Stone would fall into the C3 use class (normal housing). Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments. The Regulations are quite clear in that rates should not be based on a particular business model, as this would result in 'selective advantage' and the PDCS would then be at risk of being contrary to State Aid requirements.
Question if Inner City residential could increase to a £10 rate, and Outer Central to £30.	Barwick in Elmet & Scholes Parish Council	Although there is some evidence from the historic S106 data that the nominal rate could be increased to £10 psm rather than £5, it is considered that on balance £5 is the appropriate balance bearing in mind the EVS conclusions that inner city residential is not viable and that most of the development there will be brownfield. The EVS shows that the Outer Central area can only sustain a £25 psm maximum CIL charge and so increasing it would put development at risk.
<b>VIABILITY - COMMERCIAL</b>		
Given that no new office development has commenced in Leeds in recent years the office charge, particularly in the City Centre, should be carefully reviewed. City centre offices allow Leeds to compete with other northern cities. £40 psm may still render some developments unviable. Need further evidence to demonstrate otherwise.	Sanderson Associates, Leeds Property Forum	The Regulations are quite specific in that CIL should be based on viability and not policy objectives/aspirations. There is increasing buoyancy in the office market and rental demand in Leeds City Centre although this has not as yet translated into new developments. The characteristics of the City Centre and comparison of the CIL rate against other cities is included in the City Centre Offices background justification paper. This evidence did lead to a careful review, and subsequently is why the 10% reduction from the EVS maximum proposed CIL rate was increased to 60% reduction for City Centre offices. This is further reduced to £35 in the DCS.
£40 psm for City Centre office substantially exceeds the £10 psm average for such development secured through recent Section 106 Agreements, this may be viable but is not appropriate.	SJS Property Management	The S106 payments currently received are based on policy requirements, which in the case of City Centre offices would be primarily for public transport improvements, plus site specific issues such as travel plans. These are therefore generally based on a formula calculation which may be very different from what the development could afford to pay, which is the basis of the CIL assessment as it has to be based on viability. £40 psm is on average only 1.8% of total costs as set out in the background City Centre Offices justification paper and this rate is therefore considered to be viable and appropriate. However, in reflecting the representations this is further reduced to £35 in the DCS.

<p>Support statement that the City Centre office market is fragile, and therefore why is City Centre office rate still 8 times that of offices outside of it? Especially important where the latter can sometimes offer greater incentives such as more parking.</p>	<p>Leeds Property Forum</p>	<p>There is increasing buoyancy in the office market and rental demand in Leeds City Centre although this has not as yet translated into new developments. The characteristics (rents and yields) of the City Centre and out of town office markets are completely different meaning out of centre schemes are not able to sustain a CIL charge. However, in reflecting the representations this is further reduced to £35 in the DCS.</p>
<p>Retail rate for &gt;500 sqm is extremely high and is likely to deter investment. Retail rate is too high, particularly the £248 sqm rate, it will deter future development.</p>	<p>Land Securities, Leeds Property Forum, Aldi, Asda</p>	<p>The justification paper 'Further Evidence on Retail Rates' discusses these points alongside other retail considerations, resulting in a reduction in the retail rates in the Draft Charging Schedule.</p>
<p>Need to take into account discount retail operators with very different business model based on low profit margins based on high levels of efficiency and lower overheads.</p>	<p>Aldi</p>	<p>The EVS adopted a threshold of 500 sqm as it seeks to distinguish between smaller local traders and national / multiple operators, which have very different market characteristics. In considering the threshold regard was also had to the definition/size threshold within Sunday Trading Law. This is set at 280 sqm trading area. A larger threshold of 500 sqm was applied to take into consideration non sales floor space and to allow some flexibility for both slightly larger convenience stores and smaller supermarkets to be developed providing an appropriate margin between different types of store able to support a CIL charge. The retail rates have been further reduced for the DCS which would further support discount operators.</p>
<p>Give breakdown of S106 costs for Middleton Asda as an example, which would have to pay £1.5m CIL which may have stopped it occurring.</p>	<p>Asda</p>	<p>The Guidance recognises that not all developments will be viable under a CIL regime and states that CIL rates should not be set by reference to individual development schemes. Instead the emphasis is on demonstrating that the majority of development will not be jeopardised by the CIL rates. The EVS considered a range of retail scenarios including greenfield and brownfield land. The rates included in the PDCS were based on the brownfield assessments and therefore, the majority of development schemes are unlikely to be rendered unviable by the CIL charge.</p> <p>The representation on the Preliminary Draft from Asda (a 6,265 sqm supermarket) considers the total S106 cost of their Middleton scheme to be £2.36m, or £377 psm. Under the CIL regime there would no longer be the requirement to pay the £1.05m public transport improvements or the £40k district centre improvements, so Asda would have paid a S106 of £1.27m (£202 psm). This leaves an additional £174 psm (£1.09m) as a minimum CIL which could be paid without increasing the overall amount.</p> <p>The Preliminary Draft rate of £258 would have resulted in a payment of £470,000 more than the signed S106, and therefore to infer that the CIL would add on an unreasonably large amount to this scheme and be the reason why it may become unviable is considered to be inaccurate. However, bearing in mind all considerations as set out in the 'Further Evidence on retail rates' paper, the rates in the Draft Charging Schedule have been reduced. This does indicate that in the case of the Middleton Asda as an example, there would be no difference under the proposed CIL regime of £175.</p>



VIABILITY – AGRICULTURAL INDUSTRY		
<p>The EVS has not considered the agricultural industry and seek exemption from the CIL for agricultural development otherwise any CIL would make all/most agricultural development unviable. Because of the importance of food security it is essential that farmers have the confidence to invest in new buildings. Agricultural developments place no or in a few cases a very limited extra burden on infrastructure. The CIL is a levy on the enhanced value of development land but there is no enhanced land value with agricultural development and therefore the CIL would have to be paid from revenue.</p>	<p>National Farmers' Union</p>	<p>There are some reasons not to have a zero rate for the agricultural sector, particularly that £5 is only a nominal charge, that much development may be buildings into which people do not normally go and therefore would be exempt under the Regulations, and that erecting a building would give some enhanced land value especially because of the future potential for change of use (and change of use would not generate a future CIL charge). However, the Council is not relying on agricultural buildings for delivery of the Core Strategy, rather, the Core Strategy aims to support the agricultural industry, and is not relying on a large CIL receipt from it to fund the infrastructure gap. The overwhelming majority of authorities are not charging agricultural development, the land would not be sold for a profit after the development, and the enhanced land value would in many cases be marginal with the CIL paid out of revenue. Therefore in conclusion it is agreed appropriate to set a zero rate for agricultural development.</p>
<p>Make sure not to impose urban-focused CIL charges on new development in rural areas, which would impact on the long term sustainability of the rural economy and jobs.</p> <p>Request a nil rate for a change of use of a redundant farm building, which involves an extension and/or a new build that, for example provides for incubator units for new small business start-ups</p>	<p>Country Land and Business Association North</p>	<p>The Council does need to make sure that the CIL doesn't affect viability of development as a whole, and it must support the development plan which includes support for the rural economy in particular through Policy SP8 and explained in Paragraph 4.7.13. However, at present as long as a building has been in lawful use for 6 months out of the last 12 months then a change of use would not be liable for the CIL. It is therefore considered that most developments of redundant farm buildings would not be required to pay, and any extensions for business start-ups which were below 100 sqm would also not be liable. If business start-ups were entirely removed from the requirement to pay the CIL, there would be potential State Aid issues and the CIL cannot be based on policy proposals, so it is not proposed necessary to alter the CIL requirement specifically for redundant farm buildings. The Government has also recently consulted on further changes to the CIL Regulations, which included the potential to remove the current CIL liability on all vacant buildings as long as the use has not been abandoned.</p>
<p>Not viable to charge for agricultural occupancy dwellings.</p>	<p>Country Land and Business Association North</p>	<p>Social housing is not liable to pay the CIL, and the CIL Regulations set out that social housing includes rented dwellings where the dwelling will be let by a private registered provider of social housing /a registered social landlord / a local housing authority on an assured agricultural occupancy (or an arrangement that would be an assured agricultural occupancy but for paragraph 12(1)(h) or 12ZA of Schedule 1 to the Housing Act 1988).</p>
<p>Not viable to charge for farm shops and new village shops and post offices.</p>	<p>Country Land and Business Association North</p>	<p>The PDCS CIL rates only have a nominal £5 psm charge for retail development under 500 sqm and therefore it is considered that the majority of farm shops and new village shops would be below this threshold. They may also be change of use in which case they would not be liable for the charge.</p>

<b>ECONOMIC VIABILITY STUDY – SPECIFIC ASSUMPTIONS AND VALUES</b>		
In addition to viability, the proposals should also be considered against vehicle trips as a fair means to assess material impact and to gauge the requirement for highway related infrastructure and contributions towards sustainable transport.	Sanderson Associates	The CIL rates have to be set based on viability, not on the trip rates or specific impact which new developments would cause.
Examiner's report for Greater Norwich CIL concluded an over-simplistic approach to finance and cash flow considerations, in which the use of build costs rather than GDV as a basis for calculating over heads and low profit margins was specifically cited.	McCarthy and Stone	Different authorities have different approaches to finance and cash flow in their viability evidence. Therefore while the Greater Norwich Examiner's report cites this in paragraph 24, the Examiner's resulting 35% reduction of the residential rate was also based on a number of other matters not relevant to Leeds.
Need to conduct a separate development scenario for specialist accommodation for the elderly as it has a higher proportion of communal floorspace built to a higher specification, a slower sales rate, and higher empty property costs. Provide a development scenario for a typical flatted retirement housing scheme, located on a previously developed site within 0.5 miles of a town or local centre.	McCarthy and Stone	<p>The EVS concluded that residential institutions / care homes were not able to support a CIL charge despite evidence that some schemes had been brought forward for development. In this context the PDCS recommends a nominal charge of £5 psm will apply to these uses. The elderly accommodation as proposed by McCarthy and Stone would fall into the C3 use class (normal housing). Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments. The Regulations are quite clear in that rates should not be based on a particular business model, as this would result in 'selective advantage' and the PDCS would be at risk of being contrary to State Aid requirements. The typologies / development scenarios used in the EVS align / are consistent with those used in the EVA; these have been tested through formal consultation.</p> <p>In addition, the point raised about the need for sites to be within 0.5 miles of a town or local centre mean that a large amount of the Leeds main urban area and outlying settlements are encompassed within this; the Core Strategy identifies 27 town centres and 33 local centres. In Leeds therefore it is not considered to be as restrictive a requirement as it may be in other authorities.</p>
East Leeds Extension has a sales value of £160 per sq ft. With CIL at £90 psm the land value drops below an acceptable rate and will leave sites unviable – calculations submitted.	Taylor Wimpey	Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments. In addition the majority of the inputs used within the EVS including sales values have been aligned with those in the Council's Affordable Housing Economic Viability Assessment (and reduced to reflect changes in the market since the EVA was published), which have been tested and agreed through formal stakeholder consultation. The calculations submitted with the representation demonstrate a land value of circa £56,000 per acre when applying a CIL at £90 psm and assuming a sales figure of £160 psf. Assuming unconstrained / greenfield land this is below the £100k benchmark applied within this EVS. However, the calculations submitted charge CIL on the social housing, which is exempt under

		<p>the Regulations. This would remove around £45,000 from the costs which would be added to the land value and crudely this would increase the price per acre to £60,000, which is still below the benchmark. The calculations submitted also include other inputs which differ to those used within the EVS including professional fees and profit (both higher than the figures within the EVS) and in this context it is misleading to say that the reduction in sales value is the sole reason why CIL is not viable at £90 psm when assuming a sales rate of £160 psf.</p> <p>Notwithstanding the above, the original Housing Characteristics Areas map did place the majority of the East Leeds Extension within the Outer South area. The CIL PDCS map placed it in the Outer North, with the boundary between the Outer North and the Outer Central being the allocations' inside edge, to reflect that it is greenfield. In recognition of the high S106 requirements from this site (in particular the funding of the East Leeds Orbital Route), that its closest housing markets would be Whinmoor and Manston rather than the northern villages, and the representation from the Taylor Wimpey, it is agreed that it would be more appropriate for it to be within the Outer area (£23 psm). The boundary has therefore been rationalised slightly to bring all the ELE allocation within this zone.</p>
<p>Micklefield has a sales value of £185 per sq.ft. With CIL at £90 psm the land value drops below an acceptable rate and will leave sites unviable – calculations submitted.</p>	<p>Taylor Wimpey</p>	<p>Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments. In addition the majority of the inputs used within the EVS including sales values have been aligned with those in the Council's Affordable Housing Economic Viability Assessment (and reduced to reflect changes in the market since the EVA was published), which have been tested and agreed through formal stakeholder consultation. The calculations submitted with the representation demonstrate a land value of circa £129,000 per acre. Assuming unconstrained / greenfield land this is thought to be reasonable and well in excess of the £100k benchmark applied within this EVS. The calculations submitted also charge CIL on the social housing, which is exempt under the Regulations. This would remove around £110,000 from the costs which would be added to the land value and crudely this would increase the price per acre to £137,840. The calculations also include other inputs which differ to those used within the EVS including professional fees and profit (both higher than the figures within the EVS) and in this context it is misleading to say that the reduction in sales value is the sole reason why CIL is not viable at £90 psm when assuming a sales rate of £185 psf.</p> <p>However, the nearest settlement to Micklefield is Garforth (a medium value beacon in the South zone). The EVS demonstrates that average land values (market value benchmarks) are approximately £114,500 per acre (excluding small sites) for these settlements. The average land value within medium beacon settlements falls to £87,500 per acre with CIL at £50 psm (assuming Code 4). This is below the £100k threshold for unconstrained sites and reflects a drop in value of circa 24%, so this is marginal. In this context it is proposed that</p>

		Micklefield and land to the east of Garforth be included within the South zone (£45 psm), with the boundary revised to be the M1/A1.
<p>The evidence base highlighted many sites in the Outer South Area, including land at Micklefield, being only just viable or unviable in the £45 per square metre charging area, so it is clear that they will not be viable in an area with £90 CIL rate. Submitted detailed calculations/viability appraisals to support arguments.</p>	Ashdale Land	<p>A separate justification paper 'Evolution of Housing Charging Zones' has been produced to respond fully to boundary issues. The EVS aligns itself with the market value geographies / housing areas, which have been used as the basis for analysis for producing key sources of evidence including the EVA and the SHMA update 2010. However, because the Outer South is diverse in terms of housing markets it became apparent that it would need further sub division for the CIL to prevent undermining of the affordable housing targets. This resulted in its split into the 'Outer Central' zone and the 'Outer South' zone in the CIL PDCS. The Regulations require the Council to define the zone boundaries on an Ordnance Survey map base and the existing plan was not sufficiently detailed. It has been updated taking into account the EVS evidence. It is inevitable with variable rates that a boundary has to be drawn somewhere.</p> <p>The nearest settlement to Micklefield is Garforth (a medium value beacon in the outer south). The EVS demonstrates that average land values (market value benchmarks) are approximately £114,500 per acre (excluding small sites) for these settlements. The average land value within medium beacon settlements falls to £87,500 per acre with CIL at £50 psm (assuming Code 4). This is below the £100k threshold for unconstrained sites and reflects a drop in value of circa 24%, so this is marginal. In this context and in recognition of the representation from Ashdale Land it is proposed that Micklefield and land to the east of Garforth be included within the South zone (£45 psm), with the boundary revised to be the M1/A1.</p>
<p>Need evidence that landowners are prepared to accept a reduction in land values of 25%, i.e. for residential landowners would sell for anything over £75,000/acre.</p>	Sanderson Associates, Home Builders Federation Consortium	<p>The RICS Guidance (Financial Viability in Planning) recognises that the market value (benchmarks) used in viability testing will need to be adjusted to reflect emerging policy (including CIL). However, it is also accepted that there must be a cap / boundary placed on the impact to the market value. The guidance states this is a judgement for the practitioner, which must be reasonable having regard to the workings of the property market. The examiner recently accepted the principle of a 25% reduction in the Greater Norwich CIL Examination; "Obviously what individual land owners will accept for their land is very variable and often depends on their financial circumstances. However in the absence of any contrary evidence it is reasonable to see a 25% reduction in benchmark values as the maximum that should be used in calculating the impact of emerging policy (including CIL)."</p>

<p>The Wokingham Inspector concludes a return to the landowner should include a reasonable share of the development land value equating to half the uplift of the unfettered value.</p>	<p>Ashdale Land</p>	<p>The EVS has adopted the approach set out within the guidance published by the RICS (Financial Viability in Planning). The Guidance defines 'site value' whether this is an input into a specific scheme appraisal or as a benchmark, as the market value subject to the 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. For the purpose of the EVS the benchmarks (market values) have been calculated via the residual appraisal process and assume current values and all known development costs including S106 contributions (set out at Appendix III of the EVS) but excluding the costs associated with CIL and other emerging policy requirements. This mimics the approach of virtually all developers when purchasing land and establishes the true/accurate reflection of market value which is then used as the benchmark for assessing the impact of emerging policy (including CIL). It is accepted that CIL will be deducted from the land value. The EVS has placed a cap on this impact (25% reduction on current market value), which accords with the principles outlined within the RICS Guidance.</p>
<p>Based on the EVS 20% developer profit on costs would not provide sufficient incentive for developers of specialist accommodation for the elderly to take on the risk of return. Developer profit for a retirement scheme would be 20% of GDV. The EVS proposes 15% on costs for residential and commercial development. The September workshop proposed 18% GDV why has this lowered? It should be based on profit on GDV.</p>	<p>McCarthy and Stone</p>	<p>Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments. The Regulations are quite clear in that rates should not be based on a particular business model, as this would result in 'selective advantage' and the PDCS would be at risk of being contrary to State Aid requirements. Profit can be benchmarked against GDV or Costs and the EVA based profit on IRR (this was consulted upon and accepted). The EVS shows net profit of 15% but 6% is also included for developer overheads. The figures quoted in the workshop in September were gross margins inclusive of overheads.</p>
<p>Need justification for the £100,000 value applied to all greenfield land and the assumption it should be valued as agricultural land, this is extremely low.</p>	<p>Home Builders Federation Consortium, East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates</p>	<p>It is generally accepted that greenfield land is undeveloped land in a city or rural area either used for agriculture, landscape design, or left to naturally evolve. These areas of land are usually agricultural and this is the assumption taken forward within the EVS. The £100,000 per acre benchmark is based on a premium over and above existing use value for agricultural land, based on information from UK Land and Farms (UKLAF) the EUV for agricultural land is around £6,500 per acre. Based on guidance from the HCA (Area Wide Viability – Annex 1 Transparent Viability Assumptions) a suitable premium over and above existing use value would be between 10 and 20 times EUV for agricultural land. Taking the mean figure of 15 this equates to £97,500, which has been rounded up to £100,000.</p>

<p>Need more regard to hidden costs e.g. business rates, borrowing costs, utilities etc.</p>	<p>Leeds Property Forum</p>	<p>Business rates and utilities etc. are normally costs passed on to the end occupier and would not normally be incurred by the developer and therefore, should not be included in the assessment. If a scheme is built out on a speculative basis it is accepted that the developer (as owner of the property) would incur empty rates liability. However, because of this reason many developers are now unwilling to build speculatively or require a significant proportion of the space to be pre-let. It is also accepted that there will be scenarios in which sites have been assembled and subject to holding costs. However, such holding costs could be offset by any income received such as temporary car parking etc. For the purpose of the EVS, which is a strategic piece of work it is not possible to consider every eventuality and this is why the rates have not been set at the maximum levels to reflect the fact it has not been possible to consider all of the costs on every potential site within the EVS.</p>
<p>Much higher rates of CIL are possible as developers are land banking and taking options on agricultural land at agricultural prices.</p>	<p>Resident - M, L, and A Fox, Resident - G Hall</p>	<p>A developer will not bring a site forward if it is unviable for them to do so, even if they own the land (including if they have historically paid too much for it). Equally a landowner will also not sell land for a figure which is considerably less than market value. The EVS does not take into consideration the previously paid purchase price of land – instead the EVS determines what the appropriate market value would be for each typology by undertaking a residual land value. This benchmark is the market value of the land in question having regard to all the known development costs including the current S106 obligations/requirements. The impact of future policy requirements is then assessed by reference to their impact on the benchmark values. The approach is clearly set out within Section 7 of the EVS and accords with RICS Professional Guidance (Financial Viability in Planning (1st Edition)). In this context the CIL rates are based on a true / accurate reflection of market value and not historic purchase prices. A similar principle applies for ‘option agreements’ where a developer agrees to purchase the land but only upon securing planning permission. The option does not force the developer to acquire the land and so they will not acquire it or build on it if it is not viable to do so.</p>
<p>Retail rates are too low and do not reflect the types of retail development aspired to such as Trinity which will command very high rents.</p>	<p>Resident - M, L, and A Fox</p>	<p>The EVS is based on viability and whilst it has considered the values attributable to schemes such as Trinity (i.e. high rental values) it must also consider the higher costs associated with developing schemes of this scale / type. The justification paper ‘Further Evidence on Retail Rates’ discusses the retail considerations in the current difficult economic market, resulting in a reduction in the retail rates for the Draft Charging Schedule. The rates are considered to be a fair reflection of what can be afforded within the City Centre without prejudicing the delivery of development.</p>

<p>Need to have appraised viability of major City Centre retail developments such as Victoria Gate. Complex land assembly and associated development costs for major schemes.</p>	<p>Hammerson UK Properties</p>	<p>The EVS does consider a hypothetical City Centre retail scheme but given the nature of the EVS, which is a strategic piece of work it is not possible to consider every possible cost and it becomes extremely difficult especially when considering the issue of site assembly etc. the costs of which are often scheme specific. The Regulations state that CIL must not be based on specific schemes. The EVS demonstrates that City Centre comparison retail and large convenience stores can afford much higher rates that are being proposed. However, reflecting the issues associated with major retail schemes (i.e. complex land assembly etc) and the fact that they are often promoted as enabling development (especially large convenience stores) it was considered sensible to recommend a charge which was consistent with the maximum unconstrained rates for City Centre traditional retail (non food) - £175 psm. The PDCS then applied a further discount of 10% resulting in a rate of £158 psm.</p> <p>The Hammerson UK representation states the Victoria Gate floorspace is up to 131,286 sqm, of which Class A1 retail floorspace is up to 117,080 sqm. The current 2013 first phase applications are for: John Lewis GIA 26,427 sqm and other retail 9,036 sqm = total 35,463 sqm. The PDCS CIL at £158 psm = £5.6m (minus any net demolition/change of use which could be up to 1,549 sqm i.e. £244,742). The 2012 outline permission S106 agreed: £9,000 for car club for one year, £247,497 for public transport contribution (and £502,425 for phase two); £15,000 travel plan admin fee. The public transport contribution would be subsumed within the CIL. Therefore under a CIL regime at PDCS rates it would pay approximately £5m more than the current 1<sup>st</sup> phase scheme.</p> <p>The justification paper 'Further Evidence on Retail Rates' discusses this alongside other retail considerations, resulting in a reduction in the retail rates in the Draft Charging Schedule. The Victoria Gate first phase scheme would pay £35 psm and would therefore contribute £942.5k more under the CIL regime, which is considered to be reasonable.</p>
<p>PDCS is not consistent as it only applies a single rate for all 'Retail' over 500 sqm in the City Centre but EVS is based on separate assessments of convenience and comparison.</p>	<p>Hammerson UK Properties</p>	<p>The EVS demonstrated that City Centre comparison retail and large convenience stores can afford much higher rates that are being proposed. However, reflecting on all the issues as outlined in the 'Further Evidence on Retail rates' justification paper, the retail rates have been reduced for the Draft Charging Schedule. In addition, the retail category has now been split into convenience and comparison.</p>

<p>% Professional fees are extremely low. Other authorities' CIL evidence base uses 8% to 10% for standard residential. McCarthy and Stone typically allocate 10% of GDV for professional fees. The EVS statement that "based on our experience many residential developers have 'off the shelf products' which result in significant cost savings. In circumstances such as this it is normal for fees to be included at 5%" is completely unrepresentative of the market. Plus given experience in the Leeds market with the Council's high design standards an 'off-the shelf' product is not suitable in Leeds and does not reflect many months work and several meetings with officers.</p>	<p>McCarthy and Stone</p>	<p>Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments. The Regulations are quite clear in that rates should not be based on a particular business model, as this would result in 'selective advantage' and the PDCS would be at risk of being contrary to State Aid requirements. The charges have also been set 10% below the optimum / maximum rates set out within the EVS to take into consideration that in some cases the figures / assumptions adopted within the EVS may be different to those applied in actual development schemes.</p>
<p>Communal areas in specialist accommodation for the elderly are considerably larger in size, fulfil a more important function and are accordingly built to a higher specification. Typically an open market flatted residential development will provide 16% non-saleable floorspace, whereas this increases to 30% for sheltered accommodation and 35% for Extra Care accommodation. So the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation.</p>	<p>McCarthy and Stone</p>	<p>The elderly accommodation, as proposed by McCarthy and Stone would fall into the C3 use class (normal housing). The typologies / development scenarios used in the EVS align / are consistent with those used in the EVA; these have been tested through formal consultation and generally align with the majority of developments. The Regulations are quite clear in that rates should not be based on a particular business model, as this would result in 'selective advantage' and the PDCS would be at risk of being contrary to State Aid requirements,</p>
<p>EVS marketing costs for residential are 1.25% of GDV. This is extremely low and unjustified. Other local authorities typically use 3% and the September workshop proposed to use 3%. Marketing fees for specialist accommodation for the elderly is in excess of 6% of GDV.</p>	<p>McCarthy and Stone</p>	<p>The September workshop previously included an allowance for sales and marketing costs at 3%. This was split 1.75% for direct sale and legal fees and 1.25% for standard marketing. These assumptions have been carried forward into the PDCS. Whilst marketing fees for specialist accommodation for the elderly may be higher (reflecting the age restrictions placed on the product – albeit without specific evidence little weight can be given to this) this is specific to the business model of McCarthy and Stone. The Regulations are quite clear in that the rates cannot be set having regard to a particular business model and must accord with normal market dynamics.</p>



<p>Ensure that the baseline land value against which the viability of the retirement scheme is assessed properly reflects the spatial pattern of land use in the locality. Therefore the viability of retirement housing should be assessed against both likely existing site values, and potential alternative uses. Due to occupants relying on public transport and being of lower mobility, retirement housing can only be built on a limited range of sites in close proximity to town centres, which are high value and previously developed. Concern that CIL could prejudice the delivery of retirement housing against competing uses on these relatively scarce suitable sites.</p>	<p>McCarthy and Stone</p>	<p>The elderly accommodation, as proposed by McCarthy and Stone would fall into the C3 use class (normal housing). The typologies / development scenarios used in the EVS align / are consistent with those used in the EVA; these have been tested through formal consultation and generally align with the majority of developments.</p> <p>The EVS has adopted the approach set out within the guidance published by the RICS (Financial Viability in Planning). The Guidance defines 'site value' whether this is an input into a specific scheme appraisal or as a benchmark, as the market value subject to the 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. For the purpose of the EVS the benchmarks (market values) have been calculated via the residual appraisal process and assume current values and all known development costs including S106 contributions (set out at Appendix III of the EVS) but excluding the costs associated with CIL and other emerging policy requirements. This mimics the approach of virtually all developers when purchasing land and establishes the true / accurate reflection of market value which is then used as the benchmark for assessing the impact of emerging policy (including CIL). It is accepted that CIL will be deducted from the land value. The EVS has placed a cap on this impact (25% reduction on current market value), which accords with the principles outlined within the RICS Guidance</p> <p>The Regulations are quite clear in that rates should not be based on a particular business model, as this would result in 'selective advantage' and the PDCS would be at risk of being contrary to State Aid requirements.</p> <p>A large amount of the Leeds main urban area and outlying settlements are encompassed within the McCarthy and Stone requirement to be within 0.5 miles of a town or local centre; the Core Strategy identifies 27 town centres and 33 local centres. In Leeds therefore it is not considered to be as restrictive a requirement as it may be in other authorities.</p>
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<p>Elderly accommodation has much longer sales period with significant effects on empty property costs, borrowing and finance costs and sales and marketing. Current typical sales rate is one unit per month, so average sized scheme of 45 units can take 3-4 years to sell out.</p> <p>Provide figures setting out £/m<sup>2</sup> gross internal floor area comparing sheltered housing against other housing types based on BCIS data for Leeds. Sheltered housing costs 5.8% more expensive per sqm than the cost of building apartments and 24.4% more than estate housing.</p> <p>Specialist accommodation for the elderly can only be sold upon completion of the development and the establishment of all the communal facilities and on-site house manager. Service charge monies that would be provided from empty properties are subsidised by the Company, a typical 45 unit McCarthy and Stone development has empty property costs of £200,000.</p>	McCarthy and Stone	<p>Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments. The Regulations are quite clear in that rates should not be based on a particular business model, as this would result in 'selective advantage' and the PDCS would be at risk of being contrary to State Aid requirements.</p>
<p>Need explicit evidence on:</p> <p>a) Residual land value – threshold land value = margin for CIL</p> <p>b) margin for CIL / gross floor area of typology = maximum CIL rate £ psm</p>	Morrison Supermarkets	<p>The EVS has adopted the approach set out within the guidance published by the RICS (Financial Viability in Planning). The Guidance defines 'site value' whether this is an input into a specific scheme appraisal or as a benchmark, as the market value subject to the 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. For the purpose of the EVS the benchmarks (market values) have been calculated via the residual appraisal process and assume current values and all known development costs including S106 contributions (set out at Appendix III of the EVS) but excluding the costs associated with CIL and other emerging policy requirements. This mimics the approach of virtually all developers when purchasing land and establishes the true / accurate reflection of market value which is then used as the benchmark for assessing the impact of emerging policy (including CIL). It is accepted that CIL will be deducted from the land value. The EVS has placed a cap on this impact (25% reduction on current market value), which accords with the principles outlined within the RICS Guidance.</p>

<p>Retail 5% yield is too high and the EVS assumes all developers are national operators</p>	<p>Morrison Supermarkets</p>	<p>The EVS provides a range of appraisals for different types, sizes and location of retail schemes, including:</p> <ul style="list-style-type: none"> <li>- Convenience Stores 372 sqm on a site area of 0.09 ha</li> <li>- Traditional Retail (non-food) A1 800 sqm on 0.09 ha.</li> <li>- Retail Warehouse 1,500 sqm on 0.38 ha</li> <li>- Supermarkets 2,500 sqm on 0.63</li> <li>- City Centre Comparison Retail 4,645 sqm on 0.58</li> <li>- Superstores 4,000 sqm on 1 ha</li> <li>- Hypermarkets 6,000 sqm on 1.50 ha</li> </ul> <p>The EVS considered a range of retail yields which were thought to represent / distinguish between national and local operators. A size threshold of 500 sqm is set out within the PDCS with any scheme which is less than 500 sqm exempt from the CIL payment. This is to reflect the fact that small developments are typically operated by local operators and the majority of scheme above 500 sqm are national operators. It is considered that without specific evidence proving that the retail yield is too high there is only a limited amount of weight which can be given to this.</p>
<p>Retail benchmark land values are confusing and too low, it is also unclear how these valuations have been made and with what evidence. Land owners will make their own land value assessment not the one used.</p>	<p>Morrison Supermarkets</p>	<p>The EVS has adopted the approach set out within the guidance published by the RICS (Financial Viability in Planning). The Guidance defines 'site value' whether this is an input into a specific scheme appraisal or as a benchmark, as the market value subject to the 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. For the purpose of the EVS the benchmarks (market values) have been calculated via the residual appraisal process and assume current values (rents and yields) and all known development costs including S106 contributions (set out at Appendix III of the EVS) but excluding the costs associated with CIL and other emerging policy requirements. This mimics the approach of virtually all developers when purchasing land and establishes the true / accurate reflection of market value which is then used as the benchmark for assessing the impact of emerging policy (including CIL). This approach correctly values the land in accordance with RICS Guidance and provides an appropriate viable level of planning obligations, whilst ensuring land is brought forward for development.</p>

<p>Retail 6 month pre-construction phase is unrealistic and should be 24+ months.</p> <p>Retail commercial agency fees set at 7.5% are unrealistic as industry standard is 15%.</p> <p>Retail finance charges at 6.5% are too low 7% are the industry average and a £200k average finance arrangement fee has not been included as well as holding fees.</p> <p>Retail typologies have used an unrealistic 40% site coverage, it should be 30%.</p> <p>Retail total profit has been calculated at 21% while it should be 25%.</p>	<p>Morrison Supermarkets</p>	<p>The PDCS rates for large convenience retail within the City Centre are 55% less than the optimum figures set out within the EVS. Outside of the City Centre the figures are around 42% lower than the optimum figures set out within the EVS. This reflects the issues associated with major retail schemes (i.e. complex land assembly etc) and the fact that they are often promoted as enabling development (especially large convenience stores).. Whilst it is accepted that certain schemes will adopt different figures (inputs) to those used within the EVS the assumptions used within the EVS generally align with normal figures expected in the majority of developments.</p> <p>However, the appraisals have been remodelled using the Morrisons different assumptions. These changes in base assumptions also need to be used to recalculate the benchmark / market value against which the impact of CIL and other policies are tested. The benchmark drops from £2.435m per ha down to £1.635m for greenfield sites. The benchmark for brownfield sites drops from £2.265m per ha to £1.490m per ha. In applying the impacts of policy EN1 and EN2 the brownfield values drop to £1.340m (assuming 'outstanding' BREEAM, as worst case). This is a reduction of 10% on the benchmark value which is well within the threshold of 25%. The unconstrained value falls to £1.488m (assuming 'outstanding' BREEAM, as worst case). This is a reduction of 9% and is again well within the threshold of 25%.</p> <p>If the CIL is then added at £248psm (PDCS rate) for greenfield sites the land value drops to £1.270m per ha (assuming 'Outstanding' BREEAM). This is a reduction on the benchmark value (£1.635m) of 22%. This is within the threshold of 25% but does not leave much headroom and is a further justification for reducing the retail rates. For City Centre brownfield sites CIL is £158psm (PDCS rate) and applying the CIL reduces the value of the land to £1.230m per ha (assuming 'Outstanding' BREEAM and CIL at £158psm), a reduction on the brownfield benchmark of 17%.</p> <p>In consideration the analysis shows that despite the changes put forward by Morrisons the evidence still suggests that the CIL rates are sustainable based on the methodology put forward in the EVS. However, taking into account the wider discussion of retail issues, the rates have been further reduced as set out in the 'Further Evidence on retail rates' paper which will therefore greatly improve the viability even using the Morrisons assumptions.</p>
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Retail large site assembly fees have not been taken into account	Morrison Supermarkets	Given the nature of the EVS, which is a strategic piece of work it is not possible to consider every possible cost and it becomes extremely difficult especially when considering the issue of site assembly, as the costs are often scheme specific and can't be considered in a study of this nature. The Regulations state that CIL must not be based on specific schemes. The EVS demonstrated that City Centre comparison retail and large convenience stores can afford much higher rates than are being proposed. However, reflecting the issues associated with major retail schemes (i.e. complex land assembly etc) and the fact that they are often promoted as enabling development (especially large convenience stores) it was considered sensible to recommend charges which are substantially lower than the EVS. The PDCS then applied a further discount of 10% and this has since been reduced even further in the DCS. In this context it is considered that a suitable cushion has been built into both the EVS and DCS to take into account the costs associated with large site assembly fees.
<b>VIABILITY OF BROWNFIELD SITES - RESIDENTIAL</b>		
Concerned with EVS justification that as development in the outer north with primarily come forwards on greenfield sites therefore the CIL rate has been set at the greenfield level. To discourage brownfield development in such a way would be contrary to both local and national policy as it is considered this is the most sustainable form of development.	Home Builders Federation Consortium	The EVS considered brownfield and greenfield scenarios but did not recommend a separate charge for brownfield sites. The rates set out within the PDCS are considered sustainable and reflect the viability evidence (i.e. a nominal charge of £5 psm is proposed for all residential development within the City Centre reflecting the fact that the majority of its land for housing will be brownfield) and will allow the majority of land to be brought forward for development. However, it is accepted that some sites, particularly brownfield (constrained and contaminated sites), will not be able to sustain the CIL charges proposed. This fact is also recognised within the Guidance. In these circumstances the Council will need to work with developers to consider flexibility in relation to other planning obligations.
GVA has not appraised the policy implications arising from BREEAM / Carbon reduction standards for constrained / brownfield sites, simply assuming that as for unconstrained / greenfield sites, the impact will be negligible / minimal.	Hammerson UK Properties	As set out within the EVS the costs associated with the emerging policies covering BREEAM / Carbon reduction do not have a significant impact on the current market value benchmarks. Whilst the EVS only appraised the unconstrained site the same cost increases would apply to the brownfield scenarios. In this respect it is logical to conclude that the impact on the brownfield market values will also be minimal.
Difficult developments in the centres of towns such as Otley and Morley might be disadvantaged by having to pay at the same rate as straightforward greenfield development nearby.	Morley Town Council Planning Committee	The EVS has considered brownfield and greenfield scenarios and the rates set out within the PDCS are considered sustainable and should not prevent the majority of land from being brought forward for development. However, it is accepted that some sites, particularly brownfield sites, will not be able to sustain the CIL charges proposed. This fact is also recognised within the Guidance. In these circumstances the Council will need to work with developers to consider flexibility in relation to other planning obligations.

<p>Brownfield sites should only be charged £25 in the Outer South as stated in the EVS.</p>	<p>McGregor Brothers Ltd</p>	<p>The EVS considered brownfield and greenfield scenarios but did not recommend a separate charge for brownfield sites. Whilst the CIL Regulations require the zones to be shown on an OS map base it is simply not possible to differentiate between every brownfield site across Leeds, and any that were identified may have selective advantage and be at risk of being contrary to State Aid requirements. There is also no scope in the Regulations to make a specific distinction for brownfield sites. Paragraph 7.28 of the EVS states "CIL is considered unfeasible on Brownfield / constrained sites within the Outer Area(s). Whilst the impact on current benchmarks is within tolerance levels when CIL is at £25 psm (see Table 28) absolute site values are very low/marginal at best.</p> <p>This was the reason for the splitting of the original outer area into two zones (Outer South and Outer Central) to set a lower rate for the Outer Central area and reflect the value geographies across that broad area. The rates set out within the PDCS are considered sustainable and should not prevent the majority of land from being brought forward for development. However, it is accepted that some sites, particularly brownfield sites, will not be able to sustain the CIL charges proposed. This fact is also recognised within the Guidance. In these circumstances the Council will need to work with developers to consider flexibility in relation to other planning obligations.</p>
<p>There is no regard to brownfield being encouraged ahead of greenfield. CIL is encouraging green belt development in the outer north as the Council will get the highest CIL rate there.</p>	<p>Resident - M, L, and A Fox</p>	<p>The CIL is not the mechanism to encourage brownfield development over greenfield, as the rates have to be based on viability not on policy considerations. The Regulations do not permit a distinction to be made for brownfield sites. The viability appraisals have taken into account the difference in brownfield and greenfield land values. Other policies in the development plan such as Core Strategy SP6, H1, and the methodology underpinning the site selection in the emerging Site Allocations Plan aim to encourage brownfield development, and it is primarily the current difficult economic conditions which are impeding it at the present time as Leeds has an excellent history of exceeding brownfield targets. The CIL is not encouraging green belt development in the outer north in order to maximise its CIL receipts, the outer north is zoned simply because if development does occur there then it will be able to sustain the highest rate. The EVS has considered brownfield and greenfield scenarios and the rates set out within the PDCS are considered sustainable and should not prevent the majority of land from being brought forward for development.</p>

<p>The CIL should work in conjunction with wider national and local planning objectives. Therefore developers and the Council would benefit from exempting residential development on brownfield land.</p>	<p>McCarthy and Stone</p>	<p>The EVS considered brownfield and greenfield scenarios but did not recommend a separate charge for brownfield sites. Whilst the CIL Regulations require the zones to be shown on an OS map base it is simply not possible to differentiate between every brownfield site across Leeds, and any that were identified may have selective advantage and be at risk of being contrary to State Aid requirements. There is also no scope in the Regulations to make a specific distinction for brownfield sites. The rates set out within the PDCS are considered sustainable and should not prevent the majority of land from being brought forward for development. However, it is accepted that some sites, particularly brownfield sites, will not be able to sustain the CIL charges proposed. This fact is also recognised within the Guidance. In these circumstances the Council will need to work with developers to consider flexibility in relation to other planning obligations.</p> <p>It is considered that in accordance with the CIL Guidance April 2013, the Leeds CIL Charging Schedule will contribute towards the implementation of the Core Strategy and support the development of the Leeds District by helping to provide the infrastructure required as a result of new growth, and allowing delivery of the scale of development set out in the Core Strategy. If the charging rates are too low, development will be constrained by insufficient infrastructure and a lack of local support. The CIL evidence base has been produced in line with the NPPF especially Paragraph 173 which requires that “the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”</p>
<p>No evidence to suggest the 10% reduction would enable brownfield sites to be viable. No justification as to why the lower £50 rate is not used as proposed in the EVS to account for brownfield land, which would be contrary to policy.</p>	<p>Ashdale Land, East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates</p>	<p>The EVS has considered brownfield and greenfield scenarios but did not recommend a separate charge for brownfield sites. The rates set out within the PDCS are considered sustainable and reflect the viability evidence (i.e. a nominal charge of £5 psm is proposed for all residential development within the City Centre and Inner Area reflecting the fact that the majority of land for housing will be brownfield) and will allow the majority of land to be brought forward for development. However, it is accepted that some sites, particularly brownfield (constrained and contaminated sites), will not be able to sustain the CIL charges proposed within the PDCS. This fact is also recognised within the Guidance. In these circumstances the Council will need to work with developers to consider flexibility in relation to other planning obligations.</p>

<p>The EVS identifies that the level of CIL proposed would potentially render schemes unviable especially on brownfield, constrained and large sites. This is considered counterproductive given that the Council wishes the majority of housing to take place on previously developed land.</p>	<p>Carter Jonas</p>	<p>The Council has a strong desire to promote development on brownfield land, but in reflecting the geography of the Leeds District and the available sites, the Core Strategy sets out in Policy H1 that there is a brownfield land target of 65% for the first five years, and 55% thereafter. It is inherent within the CIL regime at national level and as set out explicitly in the guidance that some development may be at risk, and it is therefore inevitable that this would be most likely to be brownfield sites as these are less viable. Setting CIL rates so low that no brownfield sites were at risk would in itself be counter-productive as it would raise only very minimal receipts to provide the infrastructure required as a result of the new growth. The EVS has considered brownfield and greenfield scenarios but did not recommend a separate charge for brownfield sites. The rates set out within the PDCS are considered sustainable and reflect the viability evidence (i.e. a nominal charge of £5psm is proposed for all residential development within the City Centre reflecting the fact that the majority of land for housing will be brownfield) and will allow the majority of land to be brought forward for development.</p>
<p>The Seacroft Hospital site requires significant infrastructure for a transport solution for the site, SUDs, and major reconfiguration of electricity supply network. The imposition of a CIL charge will have a negative impact on the scheme and the extent to which it can help deliver the city's regeneration and housing objectives.</p>	<p>Homes and Communities Agency and Leeds Teaching Hospitals NHS Trust</p>	<p>The Regulations stipulate that the rates within the Charging Schedule cannot be based on specific schemes. The EVS considered a range of development typologies including greenfield and brownfield scenarios and the rates have been considered and set within the context of this evidence. The PDCS also applied a discount of 10% to the maximum rates set out within the EVS. In this context it is considered that a suitable cushion has been built into the PDCS to take into site specific circumstances that can't be reflected in a strategic piece of work such as the EVS. However, it is accepted that some sites, particularly brownfield constrained/contaminated sites, will not be able to sustain the CIL charges proposed. This is also recognised within the Guidance. In these circumstances the Council will need to work with developers to consider flexibility in relation to other planning obligations. Specifically in the case of Seacroft Hospital this is clearly an allocated site which will help with the area's regeneration and the Council will continue to work with the HCA and Teaching Hospitals to progress the scheme. It is in the £23 psm zone and therefore £2,024 CIL per average house is not considered to be the tipping point to make the scheme unviable.</p>
<p><b>VIABILITY OF BROWNFIELD SITES - COMMERCIAL</b></p>		
<p>Disagree with charging lower rates for retail in the City Centre. Not established by the EVS that sites outside it are significantly less constrained, which in Leeds is not likely. It will also penalise in-centre retail which is required by planning policy.</p>	<p>Asda</p>	<p>The lower City Centre retail rates reflect the fact that City Centre schemes are often complex and more challenging in terms of site enabling costs etc. There is only a nominal charge (£5 psm) for retail less than 500 sqm both inside and outside of the City Centre, which reflects the fact that such developments are normally undertaken / occupied by local operators and therefore can't provide the covenant strength of a national retailer, which is reflected in the value and ultimately the viability of schemes. The rates have to be set based on viability rather than on policy considerations of directing retail to in centre locations.</p>



<p>Para 9.23 of the EVS discusses site constraints: “for smaller convenience stores a much reduced CIL charge of circa £200 psm could be sustained on unconstrained sites but CIL is not feasible on constrained sites.” Paragraph 9.24 states that “it is recommended that rates be set with reference to the constrained/brownfield assessments. By taking this approach it is hoped that the impact on their enabling qualities is not adversely affected.” This has not been carried forwards into the PDCS.</p>	Aldi	<p>The phrase ‘smaller convenience stores’ relates to store with a trading area of less than 280 sqm (as outlined in footnote 29 on page 46) and therefore does not relate to the £248 psm charge above 500 sqm, indeed it is a reason for implementing the 500 sqm threshold below which smaller convenience stores would only be charged £5 psm. This is outlined in the EVS paragraph 9.25: “It is proposed that a distinction is made as to the size of unit to which a charge would apply. The size distinction arises from the type of occupier likely to take a larger unit, bringing a stronger covenant and better rents and yields. Smaller units are likely to come forward with a local covenant (i.e. they are unable to provide the covenant strength of a national retailer). It is recommended that a threshold of 500 sqm be adopted, as this would allow flexibility for both slightly larger convenience stores and smaller supermarkets to be developed providing an appropriate margin between different types of store able to support a CIL charge.” The average size of a discount supermarket such as Aldi is 1,500 sqm and therefore falls within the description of a smaller supermarket, rather than smaller convenience stores.</p>
<p>Retail sites are generally in centres and so are considerably constrained which adds further costs e.g. complicated highways solutions and de-contamination. It also affects their optimum requirements and standard business model regarding e.g. car parking floor area and build costs.</p>	Aldi	<p>The EVS demonstrated that City Centre comparison retail and large convenience stores can afford much higher rates than are being proposed. However, reflecting the issues associated with major retail schemes (i.e. complex land assembly etc) and the fact that they are often promoted as enabling development (especially large convenience stores) it was considered sensible to recommend charges which are substantially lower than the EVS considers viable to take into consideration issues such as land assembly and enabling qualities.</p> <p>A rate of £175 psm in line with other traditional retail (non-food A1) was therefore taken as the rate for City Centre retail and a rate of £275 psm was considered as a viable charge for retail outside of the City Centre. The PDCS then applied further discounts of 10%. In this context the rates for large convenience retail within the City Centre are 55% less than the optimum figures set out within the EVS. The rates for City Centre comparison retail are 30% less than the optimum / maximum rates set out within the PDCS. Based on the ‘Further Evidence for Retail Rates’ paper they have been further reduced in the DCS. The Regulations are clear in that rates should not be based or have regard to a particular business model, as this would result in ‘selective advantage’ and the PDCS would be at risk of being contrary to State Aid requirements.</p>
<b>COMPARISON WITH OTHER AUTHORITIES</b>		
<p>The proposed rates are reasonable on the basis of comparison with rates adopted or under consideration by other local planning authorities.</p>	Highways Agency	Support welcomed.

<p>Supportive of the approach taken so far and not aware of any cross-boundary issues at this stage. Would have concerns if the 10% rate below the maximum level in the EVS for residential meant setting a rate substantially higher than in Harrogate and Selby Districts, as 10% is high in relation to viability buffers being set elsewhere nationally.</p>	<p>North Yorkshire County Council</p>	<p>Support welcomed. As demonstrated by comparison with the Harrogate PDCS, the 10% rate below the Leeds EVS maximum for residential is only £5 more along the boundary than the Harrogate rate, which is based on a larger reduction from their maximum rate.</p> <p>While the CIL rates are based on the bespoke evidence for the Leeds District, officers have worked alongside neighbouring authorities both formally through City Region meetings, and informally through individual discussions and information sharing, especially for Bradford, Kirklees, and Harrogate as these authorities have been working at broadly the same timescales. Therefore throughout the rate setting process the rates proposed in the Leeds PDCS were benchmarked and considered in order that they broadly 'match up' with those being proposed in neighbouring authorities, albeit there are inevitable differences in viability, local markets, and in each authority's evidence base. This cross-boundary work is ongoing.</p>
<p>The residential rate of £90 psm for the Outer Northern is broadly similar to Harrogate Borough Council's proposed PDCS residential rate of £85 psm.</p>	<p>Harrogate Borough Council</p>	<p>Agree that despite some differences between Leeds and Harrogate in the methodologies and assumptions used, including the percentage reduction from the 'maximum' CIL rates, the resulting rates are comparable along the boundary and for the other non-geographical uses.</p>
<p>Rates set should reflect those in neighbouring districts.</p>	<p>Sanderson Associates</p>	<p>The CIL rates have to be based on the bespoke evidence for the Leeds District. Officers have worked alongside neighbouring authorities both formally through City Region meetings, and informally through individual discussions and information sharing. Some consideration of other authorities' rates does need to be born in mind, in order to ensure that the rate would not harm the economic development of the District as a whole by virtue of directing development to other cheaper CIL locations. However, it is of key importance that the rates are set based on local viability evidence, otherwise there is the risk that the PDCS will be in breach of State aid regulations.</p>
<p>Compared with other cities' retail rate is disproportionately high.</p>	<p>Aldi</p>	<p>Some consideration of other authorities' rates does need to be born in mind, in order to ensure that the rate would not harm the economic development of the District as a whole by virtue of directing development to other locations with lower CIL rates. However, it is of key importance that the rates are set based on local viability evidence, otherwise there is the risk that the PDCS will be in breach of state aid regulations. It is considered that the rates for retail development in Leeds would not discourage development of this sector as a whole even if CIL rates may be cheaper elsewhere. There are also other authorities (not referenced in the Aldi representation), excluding London, which propose a CIL retail rate comparable to or higher than the proposed Leeds rate. These include Exeter, Solihull, and Trafford. Officers have worked alongside neighbouring authorities both formally through City Region meetings, and informally through individual discussions and information sharing. However, the DCS now proposed lower retail rates.</p>

<p>Most local authorities propose a nil rate for offices, so Leeds should have further evidence to support above zero and no higher than £10psm as in the S106 data.</p>	<p>SJS Property Management</p>	<p>The respondent's point that the office rate needs further evidence has been addressed further under a different section. The rates within the Charging Schedule need to be based on local viability evidence; otherwise there is the risk that the PDCS will be in breach of State aid regulations. Leeds is the hub of the Leeds City Region and one of the largest cities in the UK. It therefore has a different and more buoyant office market to the vast majority of authorities and the evidence produced demonstrates that a CIL charge is justified and viable. Although not their final rates and therefore subject to change, Newcastle is proposing to charge a City Centre office rate of £64 psm, and Birmingham is proposing £55 psm for City Centre core offices (with £25 psm charge for City Centre fringe offices and £15 psm for all other offices). Other local authorities outside of London are also proposing charges on B1 office development: Dartford – £25 psm, Oxford - £20 psm, Dover - £25 psm, Hambleton – offices included in all other development charged at £10 psm, Harrogate – offices included in all other development charged at £10 psm.</p>
<p>In considering the difference between the average highest retail rates across the country compared with their highest residential rates, comparatively Leeds would be significantly out of step. Only 15 maximum retail rates across the country are higher than Leeds, with only Trafford in the north. Comparative rates across the region will directly affect investment decisions.</p>	<p>Land Securities, Leeds Property Forum</p>	<p>The PDCS rates were based on current available evidence with respect to the Leeds local property markets. Some consideration of other authorities' rates does need to be born in mind in order to ensure that the economic development of the District as a whole would not be harmed by virtue of directing development to other cheaper CIL locations. However, it is of key importance that the rates are set based on local viability evidence, otherwise there is the risk that the Charging Schedule will be in breach of state aid regulations. It was considered that the rates set out in the PDCS would not discourage retail development in Leeds as a whole even if rates are cheaper elsewhere. Leeds was ranked 7<sup>th</sup> in the CACI Retail Rankings in 2011, which has improved with the opening of Trinity and Leeds is now considered to be 4<sup>th</sup> in the rankings (although unconfirmed). Both rankings suggest that the retail charges for Leeds are not out of step and reflect the market attractiveness of Leeds as a retail destination. However, in responding to further retail evidence, the DCS rates are now substantially lower than the PDCS.</p>

<p>The PDCS assumes Leeds is the key area in West Yorkshire which is no longer true, development will simply go to the neighbouring areas which do not have CIL.</p>	<p>Sanderson Associates</p>	<p>The rates within the PDCS were based on current available evidence with respect to the local property market(s) in Leeds. However, it is of key importance that the rates are set based on local viability evidence, otherwise there is the risk that the PDCS will be in breach of State aid regulations. It is considered that the rates set out in the Charging Schedule would not discourage development in Leeds as a whole even if CIL rates may be cheaper elsewhere. Leeds is the hub of the Leeds City Region and one of the largest cities in the UK and therefore it does have different markets and investor interest to neighbouring authorities. While the CIL rates are based on the bespoke evidence for the Leeds District, officers have worked alongside neighbouring authorities both formally through City Region meetings, and informally through individual discussions and information sharing, especially for Bradford, Kirklees, and Harrogate as these authorities are working at broadly the same timescales. Do not consider that it is as simple as if an authority does not charge a CIL then all the development in that region will go there. If lower CIL rates (or none) are charged it is primarily because of poor viability, and therefore it will be just as viable for development to locate in an area with or without the CIL.</p>
<p><b>REVIEW MECHANISMS</b></p>		
<p>Not clear if the rates will be reviewed to reflect any changes in the economic climate and the timetable / process to do this.</p>	<p>Metro</p>	<p>These matters are primarily set out in the Regulations; there must be monitoring and annual reporting; the rates are index linked to the Building Cost Information Service index to account for changes in the economic climate and costs; and any changes to the Charging Schedule must undergo the same evidence gathering and consultation/examination process. It has been broadly accepted across the country that a three year period after adoption is suitable to undertake a formal review of the rates but it does depends on the outcome of the monitoring and any changes to the wider economy.</p>
<p>Reassured that the first CIL Charging Schedule is, to some extent, experimental and that it will be subject to early review.</p>	<p>Morley Town Council Planning Committee</p>	<p>There is a balance to be struck in having a CIL with enough certainty and longevity that developers and landowners can confidently factor it into their projections, against the need to monitor its impact including against any broader market changes. Monitoring will be undertaken on an annual basis.</p>
<p>Should have a mechanism to take account of wider market fluctuations. Need a more frequent review of the charges than 2016/2017. At the very least, the CIL evidence must be subject to annual reviews.</p>	<p>URS Infrastructure and Environment UK</p>	<p>The Regulations set out that the CIL rates are index linked to the national all-in tender price index by the Building Cost Information Service of the Royal Institute of Chartered Surveyors, to take into account any difference between the year when the charging schedule took effect and the year in this planning permission was granted. The Council will also monitor the CIL annually. It has been broadly accepted across the country that a three year period after adoption is suitable to undertake a formal review of the rates but it does depends on the outcome of the monitoring and any changes to the wider economy.</p>

Suggest monitoring every 6 months.	Home Builders Federation Consortium, Land Securities, Leeds Property Forum	The Council will monitor the CIL annually as part of the Authority Monitoring Report (as set out in the Regulations) and it may be appropriate to undertake this more frequently. It has been broadly accepted across the country that a three year period after adoption is suitable to undertake a formal review of the rates but it does depend on the outcome of the monitoring and any changes to the wider economy.
Support an early review of the Charging Schedule in 2016 / 2017.	Hammerson UK Properties	It has been broadly accepted across the country that a three year period after adoption is suitable to undertake a formal review of the rates but it does depend on the outcome of the monitoring and any changes to the wider economy.
The rates cannot be increased quickly enough via review when market conditions change.	Resident - M, L, and A Fox	The Regulations set out that the CIL rates are index linked to the national all-in tender price index by the Building Cost Information Service of the Royal Institute of Chartered Surveyors, to take into account any difference between the year when the charging schedule took effect and the year in this planning permission was granted. The Council will also monitor the CIL annually. It has been broadly accepted across the country that a three year period after adoption is suitable to undertake a formal review of the rates but it does depend on the outcome of the monitoring and any changes to the wider economy.
<b>EXCEPTIONAL CIRCUMSTANCES POLICY</b>		
Support principle of exceptional circumstances policy (albeit some representors have caveats).	Asda, Ashdale Land, English Heritage, McGregor Brothers Ltd, Morrison Supermarkets, Sainsbury's Supermarkets, SJS Property Management, Home Builders Federation Consortium, Land Securities, Leeds Property Forum	Support welcomed.
Object to any exceptional circumstances policy, every development must pay in full as every development should be stand alone in its funding package.	Resident - M, L, and A Fox	The Government has introduced the exceptional circumstances policy as an option to avoid rendering sites with specific and exceptional cost burdens unviable should exceptional circumstances arise. It is considered that, especially due to State Aid considerations, it would be very rarely used but is useful to have as an option.
Should be more detailed with different options to suit different situations.	Asda	The exceptional circumstances policy is effectively as set out in Annex 4, as the Council will need to comply with the description in the Regulations when deciding whether or not to have such a policy.

Should be set with clear evidence, viability assessment and subject to full consultation and consideration of comments prior to being adopted, rather than just by Development Plan Panel.	Ashdale Land	The exceptional circumstances policy is effectively as set out in Annex 4, as the Council will need to comply with the description in the Regulations when deciding whether or not to have such a policy.
Should state that the CIL will be waived if evidence is submitted demonstrating that the charge would make the development unviable because the site has contamination.	McGregor Brothers Ltd	The Regulations do not allow for this mechanism of waiving the CIL, other than through the exceptional circumstances policy which has set criteria.
<b>INSTALMENTS POLICY</b>		
Support principle of the instalments policy.	Asda, Ashdale Land, Metro, Morley Town Council Planning Committee, Morrison Supermarkets, Sainsbury's Supermarkets, SJS Property Management, McCarthy and Stone, Sanderson Associates, Home Builders Federation Consortium, Land Securities, Leeds Property Forum	Support welcomed.
Object to any instalments policy otherwise there is a major risk that the developer could go in to liquidation.	Resident - M, L, and A Fox	It is considered that this may occur only in very rare cases and so the benefits of having an instalments policy in promoting growth and viability therefore outweigh the negative result in isolated cases if liquidation did occur.
Extending instalments timescales should have no bearing on the actual provision of the necessary infrastructure to support that particular development as the CIL aim is to sever this link.	Home Builders Federation Consortium, Land Securities, Leeds Property Forum	Agree that the Government's aim of the CIL is to sever this link, but it is still to provide infrastructure for growth overall and therefore delaying its collection for a much longer period would impact on the Council's (and other providers') ability to support growth. The meaningful proportion is also directly relevant to a specific site and local communities will want to receive their portion of the CIL receipts in time to mitigate any local impacts before the development is finished and occupied.
In order to keep consistency, payments over £100,000 could be split into 5 equal payments at 60 day intervals. This would reduce the initial payment but result in a quicker payment of the full amount.	Metro	Although this would give consistent payments, it is considered that this would not be appropriate as would require the full payment in under a year which would not improve cashflow over the build out period of a major scheme.

<p>Impact on viability regarding the instalments policy needs to be considered in more detail. Dates should be put back to give more leeway and improve cashflow.</p> <p>Instalments policy phasing should be amended to enable development to be completed before payment, or phased depending upon occupation levels.</p>	<p>Home Builders Federation Consortium, Land Securities, Leeds Property Forum, Ashdale Land, McCarthy and Stone</p>	<p>The instalments policy is discretionary therefore the EVS assumed that CIL would be paid upfront on commencement of development. As such, the rates have been set based on a worst case scenario with respect to impacts on cash flow. Any instalment policy proposed by the Council will therefore improve the overall cash flow and overall viability. The vast majority of authorities with instalment policies are using time periods based on months, rather than being linked to stages of the development scheme e.g. completion of x% of units. This reflects the initial instalments proposal in the Regulations (subsequently removed by amendment to allow authorities to set their own policy, so that Regulation 69B(d) sets out the specifics of how an instalments policy must be drafted and includes that it must state the timescales). While this is different to the current mechanisms for S106 payments, the Leeds CIL collection and apportionment regime is already complex. It is therefore considered that adding further complexity with differing and uncertain payment timescales on each development would be too complex and would also not allow proper planning of CIL spending for the authority and for local communities.</p>
<p>Provides example instalments policy with additional bracket for over £500,000.</p>	<p>Home Builders Federation Consortium, Land Securities, Leeds Property Forum</p>	<p>A very broad range of approaches to the instalments policy and the threshold of its upper bracket has been taken by other authorities, but it is agreed that it is reasonable to provide an additional bracket for CIL payments of over £500,000. The draft instalments policy has therefore been amended broadly in line with the suggestions.</p>
<p>Instalments policy needs negotiating on site by site basis.</p>	<p>East Leeds Extension North Quadrant Consortium, Great North Developments, John Wilson, The Burford Group, Thornhill Estates</p>	<p>Regulation 69B sets out the specifics of how an instalments policy must be drafted and includes that it must state the number of instalment payments, the proportion payable in each instalment, and timescales. It is therefore not possible or appropriate to negotiate CIL instalments on a site by site basis.</p>
<p>Instalments policy should ensure that developers are not disadvantaged by the decision to submit a full planning application for a phased development scheme rather than outline.</p>	<p>Asda</p>	<p>Developers may choose to alter their approach to phased developments and the type of planning applications they submit following the introduction of the CIL. The Government's recent consultation on further reforms to the CIL addressed the issue of phased developments e.g. the possibility of having site preparation as a separate phase of planning permission in order to avoid CIL payment. The outcome of the consultation will influence the Council's approach on this.</p>
<p>More details on instalment policy for phased developments. Assume the phased payments only apply to the intended build in each particular phase and will not all have to be tied in to the first set of instalments.</p>	<p>Bardsey Parish Council</p>	<p>Bardsey Parish Council have the correct interpretation relating to phased development, i.e. the CIL for each phase will be paid in instalments. There may be a number of phases for which each CIL payment would be subject to instalments.</p>
<p>Should be more flexible on instalment policy for rental dwellings built as part of farm diversification.</p>	<p>Country Land and Business Association North</p>	<p>Regulation 69B sets out the specifics of how an instalments policy must be drafted. It is therefore not possible or appropriate to negotiate CIL instalments based on the type of use, this would be far too complex.</p>

Need to clarify when the CIL will be payable.	Save Our Scholes	The CIL will be payable on commencement of development, subject to the instalments policy. The Government's recent consultation on further reforms to the CIL addressed the issue of phased developments e.g. the possibility of having site preparation as a separate phase of planning permission in order to avoid CIL payment.
Note: Table C band >£60,000 - £99,000 should be £99,999.	Metro	Noted and agreed.
Support potential for payment in kind over £50,000.	Home Builders Federation Consortium, Land Securities, Leeds Property Forum	Support welcomed.
It would be vital if in kind contributions could include: free use of an operative and a JCB, and donations of topsoil / timber / building materials (e.g. as have been donated by recent PFI contractors).	Leeds and District Allotment Gardeners Federation	The current Regulations only allow in kind contributions to be paid in the form of land. The Government's recent consultation on further CIL reforms poses the question whether in kind payments could include the provision of infrastructure, so subject to the outcome of that consultation it may be possible for additional elements of an allotment to be provided alongside the land itself.
<b>SPENDING AND APPORTIONMENT</b>		
Accept that meaningful proportion is set by Government, and giving 75% to the Council will give the flexibility to direct these monies to the most urgent and beneficial projects for the whole area.	Barwick in Elmet & Scholes Parish Council	Support welcomed.
The CIL contribution is minor in relation to the overall infrastructure need so the more relevant comparison is with the replacement of S106 money which seems to be of the right order.	Bardsey Parish Council	Support welcomed. It is correct that the CIL will only be a small element of the required infrastructure funding. The aim of the CIL is to receive at least as much income from development as a whole across the District as under the current S106 regime.
It would be hugely helpful if CIL could be spent outside of the area in which it was levied. Although we are active city-wide we all have our own local interests centred on our local allotment site. Would therefore support an equitable share of CIL investment being made available both locally and across the District.	Leeds and District Allotment Gardeners Federation	The Government's intention for the CIL is to fund strategic infrastructure across a wider area than where the specific development is located. Support therefore welcomed. It is possible that the Council will ring-fence a further amount of the CIL to be spent in local areas, including to make spending more equal for those areas where only a low CIL rate can be charged.
The 15% may unfairly impact on some communities who have yet to get involved with neighbourhood plans. It is not right to be penalised for agreeing to the Council's request about NP boundaries.	Bardsey Parish Council, Barwick in Elmet & Scholes Parish Council, Leeds and District Allotment Gardeners Federation	The Government has set the relation of the CIL to neighbourhood plans with the clear intent to incentivise localism through neighbourhood planning. However, it is possible that the Council will ring-fence a further amount of the CIL to be spent in local areas, regardless of whether there is a neighbourhood plan in place.



<p>Lack of calculation of administrative costs, should not take 5% of meaningful proportion for costs, no details of how passed to parish councils and if will be charged.</p>	<p>Resident - G Hall, Save Our Scholes</p>	<p>The Regulations provide that up to 5% of the CIL receipts can be used by the Council to offset the set up and ongoing costs of the CIL. However, the rates set must be based on viability and therefore a 5% increase cannot be added to the Leeds CIL to account for this. Any CIL used to offset the costs would be taken from the total CIL received, and not reduce the meaningful proportion %.</p>
<p>NPPF refers to 'meaningful proportion' to ensure that development in the area is sustainable. The evidence base and proposals do not address the conflict between sustainability and viability, meaningful proportion needs to be higher as is not an incentive to accept development. PDCS assumes maximum meaningful proportion will be as set out by government.</p>	<p>Resident - George Hall, Save Our Scholes, Bardsey Parish Council</p>	<p>Paragraph 175 of the NPPF states "The CIL should support and incentivise new development, particularly by placing control over a meaningful proportion of the funds raised with the neighbourhoods where development takes place." The Regulations set the meaningful proportion of the CIL (25% in an area with a neighbourhood plan, 15% in an area without) and this is reported in the PDCS. It is possible that the Council will ring-fence a further amount of the CIL to be spent in local areas, including to make spending more equal for those areas where only a low CIL rate can be charged. This would be separate to the national provisions for the meaningful proportion.</p>
<p>It is wrong for the CIL from a development that affects one community which loses their quality of life being used to benefit other communities not impacted by it. Those directly affected should receive all the CIL, it should not be used as a bail out for wider council projects, otherwise it is not localism.</p>	<p>Resident - M Brown, Resident - M, L, and A Fox, Save Our Scholes</p>	<p>The Government's specific intention for the CIL is to fund strategic infrastructure across a wider area than where the specific development is located. The Council has to balance localism and local infrastructure priorities with the strategic infrastructure needs of the District as a whole. In addition, in some areas it is only viable to set a £5 psm rate. Those areas would therefore receive a very low amount of CIL even if they had the same amount of development as the £90 psm zone, and therefore equality across the District needs to be a key consideration for the Council.</p>
<p>The current PDCS will be challenged as its impact will be to make any development forced upon Scholes unsustainable and unviable. It is in effect a tax on development in greenspace in order to supplement the Councils budget in other areas of the City.</p>	<p>Save Our Scholes</p>	<p>The CIL rates have been set at a level which are viable. The CIL can be viewed as a development land tax as the intention at the national and Leeds level is for it to be paid effectively through a decrease in land value land. The changes to the current S106 regime which will come into force in April 2014 mean that if we do not progress with a CIL then the amount of funding gained through S106s will dramatically reduce anyway. Other policies and requirements in the development plan will help to ensure that development is sustainable both across the District and at the site specific level.</p>
<p>A clear spending protocol needs to be in place to ensure that funding is allocated to infrastructure projects in a transparent manner. Establishing a ranking system of infrastructure scheme across a number of sectors (Highways, Public Transport, Education etc) would be very difficult to achieve. Could instead divide the CIL monies by sector, and then each sector would then be able to priorities where the CIL money was spent within the sector. A risk with this approach is that delivery of schemes within each sector could be restricted if the level of CIL money collected is low.</p>	<p>Metro</p>	<p>This will be considered in the discussions relating to the spending and apportionment of the receipts. It is agreed that ranking priority and need across different sectors will be difficult. However, the CIL will already be very complex to administer based on the meaningful proportion (including neighbourhood plan split between 25% and 15% and the cap per existing dwelling), other potential local ringfencing and equitable sharing across the District, and the need to have a clear R123 List. The CIL will only be a small element of overall infrastructure funding and therefore splitting the remainder into further sectors for their own priorities would probably not allow sufficient pooling to fund larger scale strategic items.</p>

All CIL revenue gained from non residential development should be directed to highways and transport as clearly they would not be directly associated with the need for affordable housing or education.	Sanderson Associates	The CIL is based on viability and not on the impacts of a specific development. It is the Government's stated intention for the CIL to break the link between a development and local infrastructure delivery, to fund strategic infrastructure. Therefore the CIL will not be spent according to its source type of development. It would also introduce further complexity into an already complex spending and apportionment process. N.B. the CIL cannot be spent on affordable housing.
CIL receipts should be spent locally and on related infrastructure. E.g. office developments should not fund the education shortfall created by new housing.	SJS Property Management	The CIL is based on viability and not on the impacts of a specific development. It is the Government's stated intention for the CIL to break the link between a development and local infrastructure delivery, to fund strategic infrastructure. Therefore the CIL will not be spent according to its source type of development. It would also introduce further complexity into an already complex spending and apportionment process. It is possible that the Council will ring-fence a further amount of the CIL to be spent in local areas.
Spending needs to be transparent and justified including for the meaningful proportion.	Sanderson Associates	Spending will be monitored and reported annually (both by Leeds City Council and by parish councils in relation to their meaningful proportion) as required by the Regulations and Guidance. This will allow for transparency.
This consultation has revealed fears that CIL receipts might be taken from where a development has taken place to fund prestige or other projects elsewhere. Developers fear that CIL charged against their schemes might not be used to provide infrastructure to support them. The % for the meaningful proportion has not dispelled these fears and some effort must be made to produce a policy on the spending and distribution of CIL.	Morley Town Council Planning Committee	The Council is considering the mechanisms for the spending and distribution of the CIL so that these are in place on adoption of the CIL, although it is not a part of the Charging Schedule (other than the links with the R123 List). It is the Government's stated intention for the CIL to break the link between a development and local infrastructure delivery, to fund strategic infrastructure. It is possible that the Council will ring-fence a further amount of the CIL to be spent in local areas. Developers will still be required to sign up to S106 agreements for site specific issues where this is directly necessary to implement their site.
Needs more clarity - want to avoid a scenario where public transport S106 contributions (especially bus service enhancements, required in the areas with the highest CIL rates) are reduced to allow CIL to be collected, and then not spent on public transport infrastructure schemes.	Metro	It is acknowledged that Metro will not want to gain less funding from the CIL than it currently gets from the Council via S106 contributions. This will be considered in the discussions relating to the spending and apportionment of the receipts. It is possible that the Council will ring-fence a further amount of the CIL to be spent in local areas, and alongside the community's meaningful proportion this may be a funding method whereby infrastructure such as bus services could be enhanced.
Need to prepare R123 List alongside PDCS with justification for the priority afforded to each element.	Sainsbury's Supermarkets, Sanderson Associates, Ashdale Land, Carter Jonas	The draft R123 List will be published alongside the Draft Charging Schedule. It should be noted that the R123 List itself is not required to identify priorities within it.
<b>SPECIFIC REQUEST FOR INFRASTRUCTURE FUNDING</b>		
Very few of the infrastructure projects identified will benefit Outer North East residents, particularly in relation to public transport. This should be addressed in the spending priorities.	Bardsey Parish Council	The Government's intention for the CIL is to fund strategic infrastructure across a wider area than the location of a specific development. The Council has to balance localism and local infrastructure priorities with the strategic infrastructure needs of the whole District. It is possible that the Council will ring-fence a further amount of the CIL than the meaningful proportion to be spent in local areas.

Need to prioritise CIL funding for the improvement of the towpath along Leeds Core Cycle Routes 1 and 8.	Canal & River Trust	Specific infrastructure requests will be taken into account in the separate prioritisation of spending once the CIL starts to be collected. However, the Council does want to manage expectations in that the CIL will only be a small element of the overall infrastructure funding gap and will not be able to fund all requests. It may be that certain projects can be funded by the local communities from their meaningful proportion if identified as priorities.
Keen to ensure that any pinch-points on the local road network, in the vicinity of the Strategic Route Network that may impact on its operation, are also included in the R123 List. The Leeds Infrastructure Study will be available by early autumn, so request discussion on this before consultation on the Draft Schedule.	Highways Agency	Specific infrastructure requests will be taken into account in the drafting of the R123 List and the separate prioritisation of spending once the CIL starts to be collected. The Council will work with the major infrastructure providers in these tasks. The Leeds Infrastructure Study is unlikely to be complete in time for the consultation on the Draft Schedule (including the R123) but its emerging results will be taken into account.
New housing development may prompt allotment demand so would be helpful if CIL could bring back into use a local unused allotment site or further enhancing an existing local site.	Leeds and District Allotment Gardeners Federation	Specific infrastructure requests will be taken into account in the separate prioritisation of spending once the CIL starts to be collected. However, the Council does want to manage expectations in that the CIL will only be a small element of the overall infrastructure funding gap and will not be able to fund all requests. It may be that certain projects can be funded by the local communities from their meaningful proportion if identified as priorities.
CIL funding should be directed towards projects which will maintain, restore and enhance strategic Green Infrastructure corridors. How the CIL is to deliver a strategic approach to networks of biodiversity and green infrastructure as required by the NPPF is not set out. The local plan may not be consistent with the NPPF if CIL funding does not enhance the natural environment as the only enhancements would be ad hoc which would not deliver a strategic approach.	Yorkshire Wildlife Trust, Natural England	<p>The infrastructure gap justification paper is used to identify a funding gap to justify the need for a CIL. Paragraph 1.10 states that “Table 1 should not therefore be considered to be the Council’s programme for spending on infrastructure, or the definitive list of the infrastructure items to which the CIL will contribute. The infrastructure projects or types of infrastructure that LCC intends will be wholly or partly funded by CIL will be set out in its Regulation 123 list. Table 1 is the best available information at this time on the funding gap for the infrastructure needed to support planned development in the District, and for which CIL is a suitable mechanism for contributing to filling that gap.”</p> <p>It is therefore considered that while the CIL may contribute to networks of biodiversity and green infrastructure, the other policies of the Core Strategy (e.g. SP13 Strategic Green Infrastructure, and policies G1 to G6) will also ensure compliance with the NPPF and particularly paragraph 114. The spending of the CIL is not to be directly examined other than through consideration alongside the R123 List. However, it is useful for Natural England to have identified potential additions to the R123 List and these will be taken into account. It has been accepted at other CIL examinations that the CIL can be spent to mitigate the Habitats Directive, if necessary.</p>
The infrastructure for transport schemes must be aligned with the LTP priorities. Metro are keen to be involved with this and together we need to determine if any project can be brought forward early with payback coming from CIL. Want to ensure that the level of public transport contributions secured through CIL is no worse than currently secured through the SPD.	Metro	Specific infrastructure requests will be taken into account in the drafting of the separate prioritisation of spending once the CIL starts to be collected. The Council will work with the major infrastructure providers in these tasks.

MISCELLANEOUS		
Refer to the sport England objection to Core Strategy evidence base regarding sport.	Sport England	The CIL Regulations are clear that the CIL examination is not to re-examine infrastructure evidence or issues associated with the development plan. Therefore this comment is not a matter which can directly influence any changes to the CIL Charging Schedule. The CIL infrastructure gap justification is based on the Infrastructure Delivery Plan (supporting the Core Strategy). The sports and greenspace infrastructure projects and information were identified with full input from LCC departments Parks and Countryside, and Children's Services.
In the past, the rigid application of planning contribution requirements has resulted in many being renegotiated or needing new applications which takes time and money.	URS Infrastructure and Environment UK	The aim of the CIL is to provide more up front transparency and certainty and reduce lengthy S106 negotiations.
Clarification on whether appraisals consider Policy EN2 and Code 4.	Home Builders Federation Consortium	Yes the EVS has taken this into account. For particular discussion see the EVS from paragraph 7.19, and Appendix 3.
The Council may only agree to a plan or project after having ascertained that it will not adversely affect the integrity of a European site. CS policy G1 supporting text states that consideration will need to be given to the proximity of the South Pennine Moors Special Protection Area and Special Area of Conservation. If the Habitats Regulations Assessment of the Site Allocations Plan concludes that residential and/or employment allocations will adversely affect their integrity (or effects remain uncertain), GI and/or other measures will be required to mitigate their effects. The Council should therefore consider whether the CIL (reinforced by Site Allocations Plan) can contribute to the funding of GI mitigation. To ensure compliance with the Habitats Regulations, the Council needs to demonstrate in advance of adopting a Charging Schedule, that there is sufficient certainty of the required financial commitment to deliver mitigation, if necessary, to the required quality and in perpetuity. Any mitigation with respect to European sites should be prioritised with CIL as the potential mechanism for delivery.	Natural England	<p>There is the potential for the CIL to contribute to the funding of GI mitigation. However, it is not the only funding source and therefore it is not considered essential in the CIL supporting evidence in advance of adopting the Charging Schedule to demonstrate certainty of Habitats Directive mitigation as a direct consequence of the CIL.</p> <p>The Core Strategy has already undergone Habitats Directive screening, and the CIL will be implemented in conformity with the Core Strategy including Policy ID1 and ID2. The Council has also undertaken a Habitats Directive screening for the Site Allocations Plan. There is only one Habitats Directive site within the District therefore it is considered that any application/development which impacted upon it would be required to provide mitigation as a direct result, notwithstanding the CIL. The Council is happy to continue to work alongside Natural England in this regard.</p>
Smaller developments previously exempt from S106 payments will be affected resulting in the extra cost being passed onto the end buyer rather than the land owner, or will make sites unviable.	Bardsey Parish Council	The intention of the CIL is for it to be borne by the landowner, i.e. they have a lower receipt at the point of sale. This is the basis for the residual appraisals methodology used across the country. The CIL has been set at rates which will not impact on sites' viability. In individual circumstances it may be that the cost is born by the developer if they are able to do so. However, it unlikely that the cost will be 'added on' to the price of a house, as the market will not bear the cost, there would be little demand for the end product. The new build properties will need to be competitively priced in the context of the existing residential properties on the market.

Affordable housing will suffer as developers will look to negotiate it.	Carter Jonas	The EVS assumptions include the full provision of the affordable housing targets therefore affordable housing should not be negotiated as a result of the CIL.
No information is provided indicating the extent to which affordable housing and other targets have been met.	Home Builders Federation Consortium	This was not a requirement during the preparation period for the PDCS but this information will be provided at the Draft Charging Schedule stage.
It is unclear whether 'Retail' applies to all Class A1-A5 development, or just Class A1. This requires clarification for the avoidance of doubt.	Hammerson UK Properties	The term 'retail' in the Schedule applies only to Class A1.

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

<b>Directorate: City Development</b>	<b>Service area: Forward Planning and Implementation</b>
<b>Lead person: Lora Hughes</b>	<b>Contact number: 50714</b>
<b>Date: 23<sup>rd</sup> August 2013</b>	

<b>1. Title: Community Infrastructure Levy – Draft Charging Schedule</b>
Is this a:
<input checked="" type="checkbox"/> <b>Strategy / Policy</b> <input type="checkbox"/> <b>Service / Function</b> <input type="checkbox"/> <b>Other</b>
<b>If other, please specify</b>

<b>2. Please provide a brief description of what you are screening</b>
<p>The Planning Act 2008 established powers to create a Community Infrastructure Levy, and the Community Infrastructure Levy Regulations (April 2010 and amended 2011, 2012, 2013) used these powers to allow a charging authority to levy a charge on the owners or developers of land that is developed, so that they contribute to the costs of providing the infrastructure needed to support the development of the area. The rates will take into account the sensitivity of the market for all types of development and must be balanced between pro-growth and being able to deliver the necessary infrastructure.</p> <p>This Screening Report assesses the decision as to what Community Infrastructure Levy (CIL) rates are to be set across the District, including at what cost per square meter of floorspace of new development, what uses to be charged, and geographical differences.</p> <p>The Council is not setting the rates it considers appropriate as final, however, that they will</p>

be subject to public consultation and independent examination and are therefore open to further review and change. The rates set now will be publicised at the second stage of formal public consultation on the CIL process; the Draft Charging Schedule.

The Officer's reports to Development Plan Panel and Executive Board recommend the rates to be set (based on viability evidence, national regulations and guidance, and potential impacts for Leeds). These options are assessed within the EIA screening process below.

Subject to any modifications requested by Development Plan Panel it is proposed to present the Draft Charging Schedule to Executive Board on 9th October. Subject to approval by Executive Board the intention is to commence the formal 6 weeks of public consultation by the end of October followed by Examination in early 2014 (subject to progress of the Core Strategy and capacity of the Planning Inspectorate). It is currently intended to adopt the CIL by April 2014 following resolution by Full Council, although this may move back slightly if the Government announces its intention to move back the deadline from which S106s can no longer be pooled. This would allow the property industry and the Council more prior notice to determine outstanding planning applications/S106s ahead of adoption of the CIL.

### 3. Relevance to equality, diversity, cohesion and integration

*All the council's strategies/policies, services/functions affect service users, employees or the wider community – city wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration. The following questions will help you to identify how relevant your proposals are. When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).*

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?	X	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	X	
Could the proposal affect our workforce or employment practices?		X
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> <li>• Eliminating unlawful discrimination, victimisation and harassment</li> <li>• Advancing equality of opportunity</li> <li>• Fostering good relations</li> </ul>	X	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.

- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

#### 4. Considering the impact on equality, diversity, cohesion and integration

*If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.*

*Please provide specific details for all three areas below (use the prompts for guidance).*

- ***How have you considered equality, diversity, cohesion and integration?***  
*(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)*

There are three elements in considering equality in the Community Infrastructure Levy (CIL) charge setting process:

- 1) Equal and fair consultation throughout the charge setting process.**
- 2) Equality for those who will have to pay the charge.**
- 3) Equality as a result of decisions on spending the CIL and subsequent service and infrastructure delivery** (which links back to a certain extent to the geographical locations where it is charged).

Adopting a CIL will help the authority to achieve the vision for sustainable development that is set out in the Core Strategy. The Core Strategy was itself subject to a detailed Equality Impact Assessment Screening that considered the impacts of individual policies on those groups identified as having protected characteristics.

The consideration of most relevance to equality, diversity, cohesion, and integration will be primarily relating to the choices to be made in spending the CIL, based to a large extent on geographical differences including infrastructure needs. This includes the ‘meaningful proportion’ to be given to the community for spending. However, this Screening is primarily concerned with the first two elements set out above, as the decisions to be taken on governance, spending, and service delivery cannot be fully considered until after the initial rates have been set and an estimate of potential revenues can be determined.

The types of impacts would arise at the point at which money has been secured through CIL and new or improved infrastructure is actually delivered; they would not arise directly as a result of the Charging Schedule itself. Such matters will also involve consultation and agreement with a wide range of stakeholders, and equality and cohesion will need to be fully integrated into decision making as there will likely be disproportionate impacts and mitigation. Therefore a full discussion of such issues cannot be provided at present, but initial indications and ideas have also been set out within this Screening in order to provide an overview and to show how the elements of the CIL link together.

##### **1) Consultation in the charge setting process**

The Council is required to carry out two rounds of formal public consultation prior to the adoption of the CIL. The decision to be made at this stage relates to the 2<sup>nd</sup> stage; the Draft Charging Schedule (DCS), and specifically the levels of the charges, and the uses and areas of the District to which it will apply. This will be followed by the Examination. Each round of



public consultation is carried out in accordance with the adopted Statement of Community Involvement (SCI). Frontloading consultation also occurred during the preparation of the CIL Economic Viability Study (final report January 2013) through a developer workshop and contact with key stakeholders in the development industry.

All relevant stakeholders on the Council's LDF mailing list, including e.g. parish councils, will be notified when the DCS is available for consultation, alongside publication on the website and in libraries and One Stop Centres to raise awareness of the consultation. Collectively, the measures set out in the SCI ensure that a wide range of people will be made aware of the development of the CIL, so that a broad range of views can be taken into account as progress is made towards the final Charging Schedule. All comments received during consultation will be forwarded to the Inspector to consider during the public examination.

Equality has been considered across the District's boundaries through discussions with neighbouring authorities on the methodologies for the viability studies and the initial findings. All the neighbouring authorities are currently intending to progress with developing a CIL (subject to results from their viability evidence) although only Harrogate is at the same stage in the process as Leeds.

## **2) Equality for those who will have to pay the charge**

The CIL rates have to be set primarily on viability evidence. So essentially, the Council only has limited choice over the types of development or geographical locations where it can be charged. Adopting a CIL will have an impact on anyone in the District with an interest in land, particularly landowners and developers. As CIL is based on viability, developments of different values will still achieve the same profit margins as CIL captures surplus profit which has been adjusted for different zones, meaning profitability of high and low value developments have equal margins. As income generated through CIL is used to fund new and improved infrastructure, there will be impacts on the wider community, depending on the type of infrastructure that is delivered and the locations in which money raised through CIL is invested.

In accordance with the CIL Regulations, the charge will be set based on evidence relating to the economic viability of development across the District, and also on the need for new and improved infrastructure as growth outlined in the Core Strategy occurs up to 2028. GVA were commissioned to undertake an Economic Viability Study across the District. It was overseen by a group of officers from the Council's Forward Planning and Asset Management teams alongside review by Members at Development Plan Panel and Scrutiny Board (Housing and Regeneration).

CIL is a levy payable by most new development. Development types that generically cannot afford CIL do not have to pay it as it is set at a zero rate for such types. The Council is proposing that leisure centres, schools, public health facilities, community centres, cultural facilities and religious institutions will be exempt from CIL. By removing the requirement to pay CIL, the delivery of these services is less likely to be inhibited. This will be beneficial for those people who are reliant of these types of services, including older people, children and families.

The Regulations set out that development proposed by charities and used for charitable purposes is exempt from paying the CIL, as is social housing. Setting the CIL at an

appropriate rate will mean that it should not be an additional barrier to the delivery of social housing.

### **3) Spending considerations**

As outlined above, the scope of this current Screening is not considering the implications of spending decisions and infrastructure investment, as these are a separate workstream.

Issues which will be considered at that time include:

- The ‘meaningful proportion’ which will be passed to local communities and how it will be spent in areas where there are no parish or town councils.
- Issues where no or minimal CIL will be raised across e.g. much of the inner area or city Centre, and how this lack of meaningful proportional may disproportionately impact on those communities (and any mitigation required as a result).
- Any other local ring-fencing mechanisms,
- How infrastructure priorities will be decided, based on the Council’s Infrastructure Delivery Plan and input from the capital programme, Strategic Investment Board, DPP/Executive Board etc.

- **Key findings**

*(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)*

#### **General equality benefits of the CIL**

Adopting a CIL will help the authority to achieve the vision for sustainable development that is set out in the Core Strategy. The Core Strategy was itself subject to a detailed Equality Impact Assessment Screening that considered the impacts of individual policies on those groups identified as having protected characteristics.

The Government has already conducted an EIA on the introduction of a CIL. This identified no adverse impact. The Government concluded that it does “not think that CIL will have an adverse impact on any social group. By making communities more sustainable, the CIL will facilitate economic growth and liveability and so create opportunity for all. The infrastructure and services that CIL will provide (such as medical and community facilities and transport networks) will enhance accessibility and liveability for all sectors of society, and could help to deliver new infrastructure that serves different needs within the community, for example, by increasing mobility and accessibility.”

The proposed changes to the CIL Regulations have an increased emphasis on community engagement, localism, specific spending in local areas, and an intent to increase the amount of affordable housing which can be provided. Bringing forwards the CIL in Leeds aims to enable the Council to direct spending on necessary infrastructure items, give more choice in priority setting for spending to local communities, and balance out the costs and benefits of growth across the District. It is therefore considered that it is a beneficial mechanism to help promote equality overall. There are not considered to be any equality implications outside of the Leeds District as charges will be set based on viability, and the neighbouring authorities are working together and should not disproportionately deter or attract investment based on CIL rates.

### **1) Consultation in the charge setting process**

As outlined above, consultation will be undertaken according to the criteria in the Council’s

Statement of Community Involvement, and the CIL Regulations. It is therefore considered that there would be no undue equality implications arising out of the manner in which the charge setting process will be undertaken.

## **2) Equality for those who will have to pay the charge**

It is considered that the levying of CIL will have neither a positive or a negative impact on equalities characteristics because the rate payable is based solely upon the viability of the development type. It is difficult to attribute the proposed CIL charge to specific impacts on the groups identified in the Equality Act as having protected characteristics. The CIL cost is ultimately expected to rest with landowners. The CIL aims to provide more certainty for the development industry than the current system, and knowledge in advance of rates which will be charged and the transparency this will result in will allow for more equality in the process of negotiating payments and in balancing the infrastructure costs of new development across all types of viable development.

It is important to note that the CIL Regulations do not allow a charge to be levied on affordable housing or for development by charities. As outlined above, in Leeds the levy will also not be charged on leisure centres, schools, public health facilities, community centres, cultural facilities, and religious institutions. This ensures that projects which support the narrowing of gaps or bringing communities together, and infrastructure projects themselves, are not adversely impacted by the CIL.

### Choosing where to set the rates

The Economic Viability Study (GVA, December 2012) sets out the maximum rates which are generally viable for different types of development across the District. However, the CIL guidance is clear that if the CIL is set at these maximum rates, there is the big risk that development as a whole across the District will be affected. This would likely have most impact on provision of affordable housing as this would still be negotiable and therefore could be reduced if developers argue that their schemes are unviable if they provide the full policy requirement for affordable housing.

Setting the CIL at a rate much lower than the maximum in the Viability Study would not gain sufficient money for infrastructure funding for the District. Although the CIL is not intended to fully meet the funding gap, there is significant infrastructure required in Leeds and new development should make a fair contribution towards this. In part to balance the opposing ideas above, where the Study rate is zero for residential and main commercial uses, a nominal rate of £5 has been set to reflect historic provision of similar amounts through signed Section 106 agreements and also to ensure that all areas where growth occurs contribute to the CIL.

### Determining exact zone boundaries

The recommended zone boundaries for the residential uses are aligned with the housing areas which have been used for previous studies (the Economic Viability Appraisal for Affordable Housing by DTZ 2010, and the Strategic Housing Market Assessment update 2010). Current affordable housing policy has been overlaid onto these zones. The boundaries for the CIL are based on viability evidence and aim to ensure overall viability of development across the District. Therefore although developers will have to pay different rates of CIL depending on their location in the District, the payments should be equal in terms of their impact on a development. As a result of the consultation process some boundary changes have been made to reflect local viability but have been done so in conformity with

the Housing Market Economic Viability Appraisal priorities.

However, in setting the Draft Charging Schedule the exact boundaries used in the Viability Study have been slightly altered, based on previous consultation responses, local knowledge and pragmatism of physical attributes. The instance of zone boundaries means that there will inevitably be inequality of payments either side of the boundary, but this is to be primarily based on viability, and Members have to consider these issues to ensure that there is equality as far as possible based on sites and geographies with similar characteristics across the District. Specific landowners and developers who may be affected by such choices have had and will have the opportunity to comment at the formal stages of public consultation, and equality issues can be considered further then.

### **3) Spending considerations**

The introduction of CIL should, in principle, benefit all groups by contributing to the delivery of strategic and local infrastructure and helping to achieve more sustainable development. The Government's Impact Assessment states that the CIL "enables contributions to be sought to fund the development of an area, rather than to support the specific development that is seeking planning permission. CIL therefore offers local authorities a more flexible tool, helping them to secure the finances needed to deliver their infrastructure priorities. CIL will make it easier for local authorities to coordinate contributions towards larger infrastructure items that contribute to the wider development of their local area, including larger sub-regional infrastructure, which might not be provided otherwise."

The provision of some of the CIL to be given directly to communities via parish or town councils, or for the Council to spend on communities' behalf in non-parished areas, will enable communities to determine their own priorities. However, the detailed implementation and governance of the CIL may have unequal impacts in Leeds, primarily based on a geographical basis (because of concentrations of groupings of people with the protected characteristics in different areas). This will need to be addressed in the spending decision discussion stages.

The Viability Study suggests that many types of commercial development, and City Centre / Inner Area residential development are currently unviable, and so should not be charged a CIL. As outlined above they have been charged a nominal £5 and therefore if development of those types does occur it will still provide some contribution to mitigate the impacts of growth. The phasing of allocations within the Site Allocations DPD and the need to ensure a 5 year housing land supply, mean that as long as the CIL is not inhibiting development, where growth is viable it should be able to sustain a CIL charge.

The overall revenues gained from the CIL are projected to be £6.8m a year (albeit this figure is inevitably with caveats including that for the first few years receipts will be lower to take into account extant permissions). The CIL has never been expected to fund all the necessary infrastructure for Leeds and other sources of funding will continue to be sought. This is a key element of infrastructure planning for the future of the District and will be discussed further at the appropriate decision making stage including in relation to equality considerations.

- **Actions**

*(think about how you will promote positive impact and remove/ reduce negative impact)*

### **1) Consultation in the charge setting process**

As set out above, consultation will be undertaken according to the criteria in the Council's Statement of Community Involvement, and the CIL Regulations. It is considered that there will be no negative impacts to mitigate, but that any lessons learnt in this regard as a result of early stages of consultation will be applied to the later stages. Such factors will also be considered at the Examination to ensure there has been fair and appropriate consultation.

## **2) Equality for those who will have to pay the charge**

The rates to be chosen can be set at the limits of viability, at the lowest range, or in the middle. The aim is to not impact on the overall viability of development across the District. The addition of the CIL should not be the tipping point to make a particular scheme unviable, as it will only be a minor element of the residual calculation. i.e. a change in house prices or build costs would have a far more significant impact.

Specific landowners and developers will have the opportunity to comment at the formal stages of public consultation, and equality issues can be considered further then. The Council is required to monitor both the receipt and expenditure of CIL on an annual basis, which will form part of the Annual Monitoring Report. This will include the amount raised, developments charged, CIL spent and infrastructure delivered. The CIL will be reviewed at an appropriate point based on this monitoring, e.g. when the economy improves.

In terms of equality of payment, the Council can use past development rates to determine whether CIL has affected development patterns, and whether its application and effect is equal. In addition, the Council will need to monitor if any relief from CIL is purely based on economic viability, and not creating bias to any particular developer or development type.

## **3) Spending considerations**

The governance structure for allocating CIL will need to be transparent and ensure that the allocation of funds to projects is undertaken in a fair and consistent manner in accordance with agreed principles for prioritisation, taking account of the views of stakeholders and local communities for instance through neighbourhood planning.

In the longer term, the spending reappportionment of CIL monies is assumed to be subject to the similar process as currently undertaken for the allocation of Section 106 monies, i.e. via approval process through Council (or delegated authority), including engagement with service providers, Members and the public.

It is anticipated that CIL spending would be considered alongside the Council's capital spending programme. Investment decisions and specific proposals would normally be subject to separate equalities analysis at the appropriate time. Any impacts would be dependent on the type of infrastructure to be provided and its location. The Council will monitor the type, location, and value of infrastructure funding made from the CIL.

<b>5. If you are <b>not</b> already considering the impact on equality, diversity, cohesion and integration you <b>will need to carry out an impact assessment</b>.</b>	
Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

<b>6. Governance, ownership and approval</b>		
Please state here who has approved the actions and outcomes of the screening		
<b>Name</b>	<b>Job title</b>	<b>Date</b>
Lora Hughes	Principal Planner	22 <sup>nd</sup> August 2013

<b>7. Publishing</b>	
This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published. Please send a copy to the Equality Team for publishing	
<b>Date screening completed</b>	
<b>Date sent to Equality Team</b>	
<b>Date published</b> (To be completed by the Equality Team)	