

**Community Infrastructure Draft Charging Schedules for
Broadland, Norwich and South Norfolk**
Report by Director of Planning and Strategy

Summary: Broadland, Norwich and South Norfolk Councils have recently published a set of draft charging schedules for their proposed Community Infrastructure Levy. The draft Schedules were published on the 6 February 2012 and the consultation period for comment runs until 5 March 2012.

Recommendation: That members are requested to consider the comments contained in paragraph 7.2 of this report and agree that they be forwarded to the relevant Councils as the formal response by the Broads Authority.

1 Background

- 1.1 Members will be aware that the Joint Core Strategy (JCS) for Broadland, Norwich and South Norfolk was adopted on 24 March 2011. At the time of writing this report there is still an outstanding Judicial Review to be determined in respect of this document however, for the purposes of planning policy the JCS continues to be in force. The JCS is designed to deliver 37,000 new houses and 27,000 new jobs between 2008 and 2026. This is dependent on investment to overcome the deficiency in supporting infrastructure. The JCS is very much predicated on the implementation of the Norwich Northern Distributor Road (NDR) and the Norwich Area Transportation Strategy (NATS). Other fundamental requirements include significant investment in green infrastructure, education, waste and water infrastructure including Whitlingham sewage treatment works and a range of other community facilities. The GNDP have therefore been working on their Community Infrastructure Levy for some time ensuring that it is supported by evidence and that it is viable. The draft charging schedules are the result of that work and are currently the subject of public consultation.
- 1.2 For members' information all of the information pertaining to this consultation can be found at: www.gndp.org.uk
- 1.3 Members are reminded that the Broads does not currently have any plans to introduce a CIL of its own due to the low levels of development expected to take place in the Broads balanced against the costs of evidencing, compiling and collecting CIL. CIL contribution will not be collected from the respective District Councils where their administrative areas are covered by the Broads Executive boundary, however, it could be spent within the Broads provided it

was clear how this was contributing towards the delivery of the JCS growth and other objectives. This is most likely to be in respect of green infrastructure provision.

2 Scale of Development and Spatial Strategy

- 2.1 The CIL charging schedules produced by the GNDP set out how developer contributions will be collected to help implement the proposals in the JCS. The scale of development proposed is very significant with approximately 37,000 new dwellings planned between 2008 and 2026. The figure includes commitments outstanding at the base date of the plan as well as allocations. Approximately 27,000 additional jobs are to be created in the same time period and additional retail floorspace of approximately 23,000 m² is projected.
- 2.2 Under the CIL regulations 2010 and 2011, the adoption of the JCS allows the local planning authorities to prepare and submit Charging Schedules which will enable funding to be collected for infrastructure needed to support/deliver proposed growth.
- 2.3 The evidence base underlying the charging schedules has been jointly commissioned by the three local planning authorities and Norfolk County Council, although presented as separate schedules to comply with legal requirements they all rely on the same evidence base and will form a Common Local Investment Plan and and Programme (LIPP). They will also be submitted for consideration at one joint examaintion.

3 Evidence of Infrastructure Needed

- 3.1 The infrastructure needed to support the growth has been established through a range of means. An Infrastructure Needs and Funding Study (EDAW/AECOM 2009) looked at high level estimates of costs and pointers towards potential funding mechanisms – the study looked at transport, utilities, social infrastructure and green infrastructure. Subsequent work to refine this study was undertaken in the run up to the Examination In Public in 2010.
- 3.2 The total cost for infrastructure appears to be in the region of £705m.

4 Evidence of Viability

- 4.1 It is important that whatever CIL is chargeable that it should strike a balance between the need to fund infrastructure and the potential effects of CIL on the economic viability of development across the area. It is possible that CIL will capture more of the land value uplift that results from development than the previous regime based on S106 contributions. This is likely to create downward pressure on the land values and profits. Evidence of viability has been undertaken by the GNDP in a variety of studies including looking at affordable housing at a range of densities and on a wide range of sites taking into account location, greenfield and brownfield viability. Two studies were

undertaken by GVA Grimley in 2010 and 2011 which introduced the concept of differing charging zones for CIL.

5 Charging Zones

- 5.1 There are 4 charging zones proposed:
- A central zone focused on the urban area of Norwich
 - An inner zone embracing those settlements in close proximity to Norwich
 - The “A11” corridor focused on road and rail corridor
 - An outer zone covering the more rural parts of the area.
- 5.2 A map showing the proposed charging zones and a table illustrating the proposed charging levels is shown at Appendix 1 for members information.
- 5.3 It is not intended to scrutinise the detail of these in this report as clearly these have been arrived at over a period of time and using a considerable amount of primary and new evidence. The Broads Authority does not have any evidence of its own to either challenge or support the proposed charges nor does it propose to commission any further evidence to do this. A considerable amount of this information has already been tested at the examination into the JCS in 2010 in any event.

6 Infrastructure Priorities

- 6.1 The draft schedules indicate the relative priorities of pieces of infrastructure. Priority One includes transport, green infrastructure and Utilities. Whilst it is pleasing from a Broads’ perspective to see that Green Infrastructure is given Priority One status it is recognised that this is largely as a requirement of the Habitats Regulation Assessment and the need for the local planning authorities to comply with this process.
- 6.2 The key pieces of strategic green infrastructure of most interest to the Broads members are enhanced public access to the Yare Valley and the “broads buffer zone” - an identified area between the Broadland Growth triangle and the Broads Executive Boundary.
- 6.3 The key piece of strategic water infrastructure that is likely to be of interest to Broads Authority members includes the various options for upgrades to the Whitlingham treatment Works which range in cost from £42m to £500,000.

7 Assessment

- 7.1 It is not proposed to make any detailed comments on the cost associated with infrastructure and the evidence compiled by the GNDP to support it – for the reasons outlined in paragraph 5.3 above. It is clear that the infrastructure required to support the planned growth is large and that the costs associated with delivering it are again significant £705m. It is also recognised that in the region of £277m would be funded directly through the current programmes of the service providers but that still leaves a gap of £477m. Approximately £100m will come from other sources including Growth Point funding and

Department of Transport funding (for NDR). There still remains a funding gap in the region of £377m that needs to be found through CIL. It is recognised that this is a complex area of work and that the GNDP has made significant progress in bringing forward its charging schedules in a challenging climate.

7.2 It is recommended that the Broads Authority raise no formal objections to the current consultation but offers the following comments:

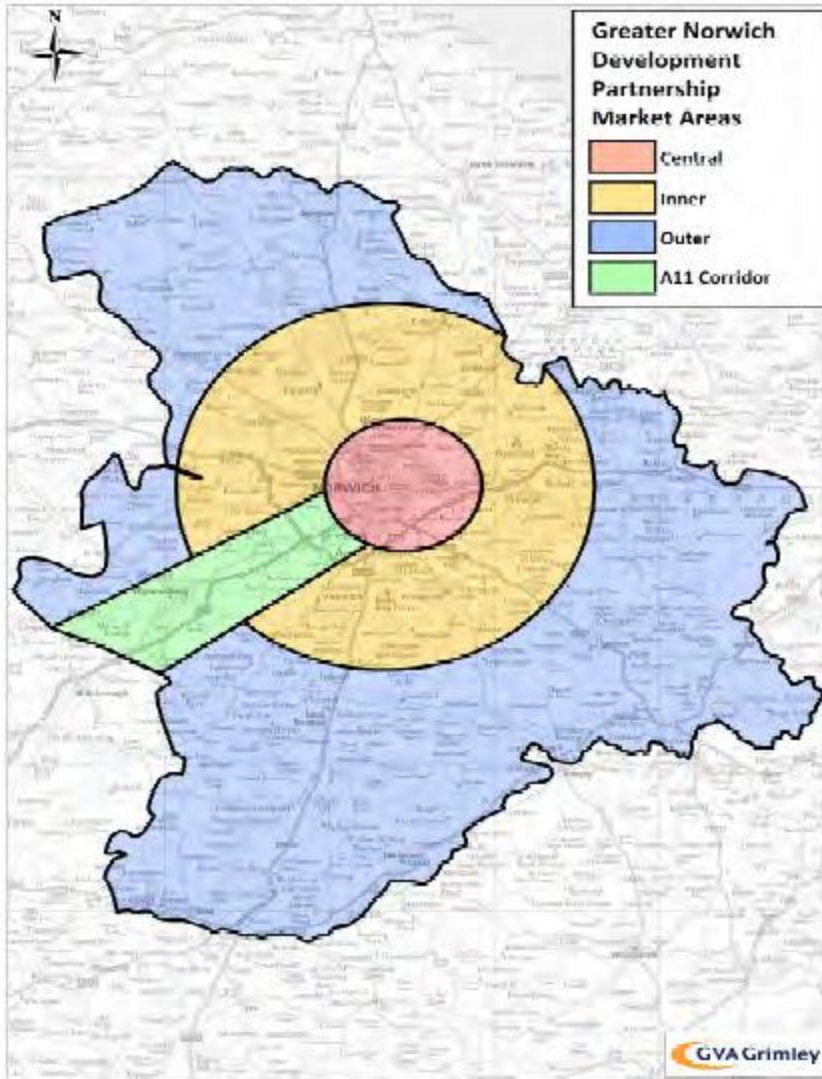
- The Broads Authority welcomes the progress made towards a CIL charging schedule for the three local planning authorities.
- The three local planning authorities all have a legal obligation (under the Norfolk and Suffolk Broads Act 1988, as amended), in exercising or performing any functions in relation to, or affecting, land in the Broads, to have regard to the purposes of:
 - a) conserving and enhancing the natural beauty, wildlife and cultural heritage of the Broads;
 - b) promoting opportunities for the understanding and enjoyment of the special qualities of the Broads by the public; and
 - c) protecting the interests of navigation.
- The Broads is a nationally designated area with status equivalent to a national park, the highest level of landscape protection, and a wetland of international importance. It is both partly within Broadland and South Norfolk District and immediately adjacent to Norwich City Council's planning area.
- The importance of the Broads and the need to address this in plans for surrounding areas is highlighted in both the East of England Plan and the GNDP Joint Strategy.
- Support for the inclusion of strategic green infrastructure as Priority 1 – specifically the “broads buffer” and the proposals to enhance access to the Yare.
- Support for the inclusion of water infrastructure improvements as Priority 1.
- Requests that the detailed charging zone maps show the Broads Executive Area to delineate a better boundary for where the CIL is applicable.

Background papers

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Appendices: APPENDIX 1 - Charging Zone Boundaries
APPENDIX 2 - Table of Proposed Charges

Appendix 1 – CIL Zones Broadland Norwich and South Norfolk



Appendix 2 – Table of Proposed Charges

	Central	A11 Corridor	Inner	Outer
	£ per m ²	£ per m ²	£ per m ²	£ per m ²
Advice from Viability Study (GVA 2010)	£225	£195	£170	£85
Rates adjusted following the receipt of the Charging Zones Schedule (GVA 2011):				
<ul style="list-style-type: none"> • Central A11 Corridor and Inner to a single Charging Zone – Charging Zone A • Outer area viability validated – re-named Charging Zone B 				
	Zone A £ per m ²			Zone B £ per m ²
Result of Charging Zones Schedule (GVA 2011)	£170	£170	£170	£85
combining Central, A11 and Inner areas into a single Zone A	= 24% reduction	13% reduction	0%	0%
Recession and S 106 discount to Zone A (approx 20%)	£135	£135	£135	£75
Adjustment to zone A to allow incorporation of garages (assumed 16 m ² per dwelling)	£115	£115	£115	£75