

Nuneaton and Bedworth Borough Council

Community Infrastructure Levy Draft Charging Schedule

Preliminary Report

March 2020 (updated September 2020¹)

1. Introduction

1.1 Background and Report Purpose

1. The Community Infrastructure Levy (CIL) is a charge which can be levied by local authorities on new development in their area. The levy rates are set out within a CIL charging schedule, where the local authority can set various rates for a range of different development types and locations. The regulatory process for producing a CIL charging schedule is set out within the CIL Regulations (as amended) 2010, which requires public consultation and an independent examination of the schedule to be undertaken before it can be adopted. The CIL rates should be set at a level which ensures that they will not render new development in the area financially unviable, and once adopted the rates set are non-negotiable, however exemptions and discretionary relief can be applied in certain circumstances. Funding obtained through the levy should be used to deliver infrastructure needed to support development in the area.
2. DAC Planning has been commissioned by Nuneaton and Bedworth Borough Council (NBBC) to progress the production of a CIL Charging Schedule for the area. The Council is seeking to have a CIL Charging Schedule in place in 2021.
3. The Council produced a CIL Preliminary Draft Charging Schedule (PDCS) in 2015, which was not subsequently progressed further by the Council. This report provides a summary of the previous approach together with associated relevant evidence in order to inform the work being undertaken to produce an up to date Charging Schedule.
4. The production of a CIL Charging Schedule requires a viability assessment to be undertaken to determine the impact of the imposition of a levy on the financial viability of development in the area. A viability assessment will need to consider the existing costs associated with development in the area, before then assessing the impact of the implementation of a levy. This report therefore provides a review of existing documentation to identify information which could be beneficial to the production of a new CIL viability assessment, and to identify existing planning policy and infrastructure requirements which could have an impact on the costs of development in the area, and should therefore be considered within the viability assessment.
5. The introduction of a levy should be evidenced by the identification of an aggregate funding gap that demonstrates a need for the levy. The Planning Practice Guidance (PPG) outlines² that any significant funding gap identified should be considered sufficient evidence of a need for the

¹ Updates to Table 3, Table 4, Table 6 and section 4.

² PPG Paragraph: 017 Reference ID: 25-017-20190901

introduction of a CIL. A funding gap is usually identified within an Infrastructure Delivery Plan (IDP), however in the future this could instead be presented within the recently introduced Infrastructure Funding Statements (IFS)³. This report will review existing information contained within the IDP which supported the production of the Borough Plan, to ensure that there is sufficient information to confirm, to the satisfaction of a CIL examiner, that there is an aggregate infrastructure funding gap in the area.

6. In summary, this report provides the Council with the following information:
 - Section 2 reviews the previous draft proposed approach to charging the levy published by the Council in 2015 and the supporting 2014 Viability Assessment. This will provide useful background information to support the development of a new draft CIL Charging Schedule.
 - Section 3 reviews the adopted Borough Plan, supporting evidence base documents, and the emerging draft supplementary planning documents, to produce a schedule of policy and infrastructure costs which should be assessed within a new CIL viability assessment to determine appropriate CIL rates for the area.
 - Section 4 establishes a case for implementing a CIL in the area by identifying the existence of a funding gap in the area.
 - Section 5 considers options for charging the levy in the Borough. These identified options will be used to establish the parameters for viability testing.

1.3 Relevant background documents

7. The following documents have been agreed with the Council as being relevant background information and evidence base documents to inform the production of a new draft CIL Charging Schedule, and have therefore been reviewed within this report.

Previous Preliminary CIL Charging Schedule and evidence base:

- H1.1 - Viability Assessment: Whole Plan and Community Infrastructure Levy Viability Study (2014)
- H1.2 - Viability Assessment: Whole Plan & CIL Viability Study - Appendices I, IIa & IIb, summaries & covers combined (2014)
- H1.3 - Viability Assessment: Whole Plan & CIL Viability Study - Appendix III (2014)
- H1.4 - Viability Assessment: Whole Plan & CIL Viability Study - Appendix IV, Glossary (2014)
- H2 - Community Infrastructure Levy: Preliminary Draft Charging Schedule (2015)

Adopted Local Plan and relevant evidence base documents:

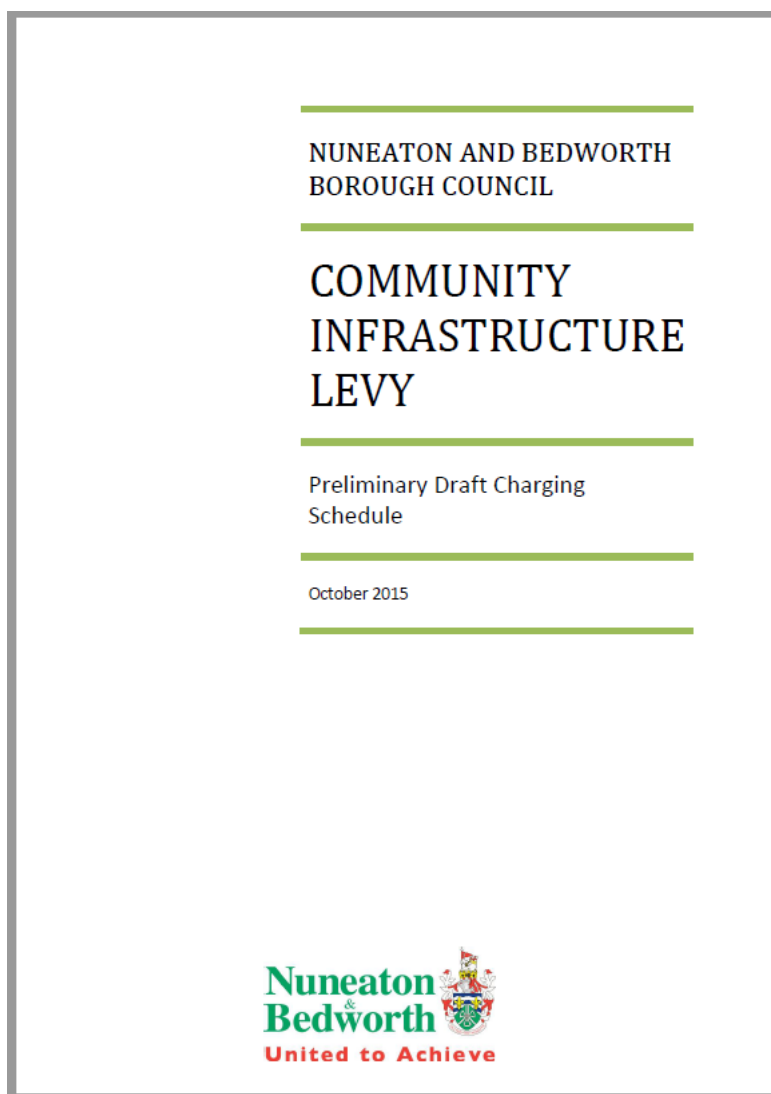
- Adopted Borough Plan (June 2019)
- H3.1 - Local Plan Viability Assessment - Update (2016)
- H3.2 - Local Plan Viability Assessment - Appendices (2016)
- H3.3 - Local Plan Viability Assessment - Appendices I, II, IIb combined with summaries (2016)
- D4.1 - Infrastructure Delivery Plan (2017)
- NBBC/81 - Action 3 & 9, Infrastructure Delivery Plan (Infrastructure Delivery Schedule, February 2019 – updated September 2020)

³ PPG Paragraph: 018 Reference ID: 25-018-20190901

Adopted Supplementary Planning Documents:

- Affordable Housing SPD (Adopted July 2020)
- Air Quality SPD (Adopted July 2020)
- Concept Plan SPDs (Adopted July 2020)
- Sustainable Design and Construction SPD (Adopted July 2020)

Figure 1: Nuneaton and Bedworth Borough Council Community Infrastructure Levy Preliminary Draft Charging Schedule, October 2015



2. Previous CIL Preliminary Draft Charging Schedule and supporting evidence base documents

2.1 Whole Plan and CIL Viability Assessment, 2014

8. In October 2013 the Council appointed Dixon Searle Partnership (DSP) to undertake an independent viability analysis of the Borough and provide recommendations to the Council in relation to introducing a CIL, having regard for local economic conditions and the emerging Borough Plan.
9. The December 2014 Viability Assessment undertook a review of all policy requirements in the emerging Borough Plan, and assessed the development costs associated with all types of development in the Borough, alongside CIL rate testing of between £0 and £120 per square metre (sqm), to determine appropriate CIL rates for the area. The Viability Assessment recommended that, whilst there was a degree of varying residential values across the Borough, there was insufficient justification for a zoned approach to charging the levy. The only zoning which may have been appropriate was between the strategic sites and residential development outside these areas.
10. The Assessment considered in detail options for the delivery of affordable housing alongside potential CIL / S106 contributions. The Assessment highlighted the importance of the type of site being developed, and sales values assumptions, in determining appropriate levels of CIL on development sites. Uncomplicated and lower value greenfield sites could accommodate high CIL rates, however higher value previously developed sites had significantly less ability to accommodate a levy rate and remain financially viable. Based on a comprehensive assessment of policy requirements, development costs, land and sales values, and allowing for an appropriate buffer to accommodate potential future fluctuations in the housing market, the Viability Assessment recommended a Borough wide residential rate of £40-£50 per sqm.
11. The Assessment considered in detail the potential for charging a levy on larger sites allocated in the Borough Plan, and concluded that there were significant variations in the viability of larger sites depending on land values. The Assessment concluded that whilst *'in practice the viability outcomes could improve from the assumed positions, they could also deteriorate. Overall, without significant house price growth, we consider that on balance the outcomes may be more likely to deteriorate than improve significantly from the appraised positions. This could be through currently unidentified costs and / or values at reduced levels if the market slows during large site delivery'*. In addition, the Assessment recommended that sales values appear more likely to support essential / key infrastructure items, rather than fuller lists of wider community facilities or amenities. The section 106 obligations placed on strategic sites would therefore inhibit the ability of these sites to maintain financial viability with the addition of a CIL charge. The Assessment therefore recommended a rate of £0 per sqm for strategic sites allocated in the Borough Plan.
12. During the production of the Viability Assessment, pooling restrictions remained in place which limited the use of S106 contributions to 5 contributions for each infrastructure project. This created concern that the breaking up of strategic sites into a larger number of smaller proposals could limit the extent of S106 contributions which could be obtained. The Viability Assessment therefore recommended that the levy should be charged on allocated sites where they do not

come forward in a strategic manner, for example for any applications on strategic sites under a specified size.

13. The Viability Assessment demonstrated that supermarkets and retail warehousing developments would maintain viability with a CIL rate of £100. However, this level of CIL could not be applied across all retail development, and the Assessment therefore recommended a lesser CIL rate of £0 per sqm for small retail development.
14. From the assessment of all types of uses undertaken within the Assessment, only residential (not including strategic sites) and large retail development were considered sufficiently viable to be capable of being charged a rate higher than £0 per sqm through the levy.

2.2 Nuneaton and Bedworth Preliminary Draft CIL Charging Schedule, 2015

15. Based on the recommendations of the 2014 Viability Assessment, the NBBC Preliminary Draft Charge Schedule (PDCS) was published by the Council for a six week consultation in October 2015. The CIL charges proposed in the PDCS are presented in Table 1 below. To support the ability of developers to pay the levy alongside other financial obligations associated with new development, the PDCS proposed the inclusion of an instalments policy as outlined in Table 2.

Table 1: 2015 Nuneaton and Bedworth Borough Community Infrastructure Levy Preliminary Draft Charging Schedule proposed rates

Use	Charge £ per sqm
Residential (including strategic sites where the development of less than 298 dwellings is proposed)	£50
Strategic sites allocated in the Borough Plan (except where planning approval is sought for the development of less than 298 dwellings)	£0
Retail and warehouse development proposals over 400m ²	£100
All other uses (including retail and warehouse development proposals under 400m ²)	£0

Table 2: 2015 Nuneaton and Bedworth Borough Community Infrastructure Levy Preliminary Draft Charging Schedule proposed instalments policy

Levy amount	Percentage		
	25%	25%	50%
Less than £80,000	Within 60 days	Within 270 days	Within 365 days or occupation of first dwelling
More than £80,000	Within 60 days	Within 270 days	Within 540 days or occupation of first dwelling

3. Adopted Local Plan, relevant evidence base documents, and emerging Supplementary Planning Documents

3.1 Local Plan Viability Assessment, 2016

16. In December 2016 DSP produced an update to the 2014 Viability Assessment to take account of changes to national and local policies, new proposed site allocations, and changes to key assumptions and inputs associated with development costs and revenue which took place since the production of the 2014 Assessment.
17. The Assessment identified that residential sales values and build costs had increased by similar amounts since 2014. Where the viability of development had improved since 2014, improvements had been modest and insufficiently regular to support alternative key findings and policy recommendations in comparison to the 2014 Viability Assessment.
18. The 2016 Viability Assessment did not revisit in detail the 2014 CIL rate recommendations, and therefore maintained the previously recommended CIL rates when assessing the viability of development in the Borough. In relation to commercial / non residential uses, the Assessment did not expect any previously non-viable or insufficiently viable scenarios to have changed since 2014 to become capable of supporting a CIL charge.
19. When considering the potential for any changes to the CIL rates recommended in 2014, the updated Assessment stated that DSP *'have found no clear pointers towards a sufficiently positive picture to underpin charging beyond the limited scope identified from the 2014 Whole Plan and CIL Viability Study'*.

3.2 Infrastructure Delivery Plan, 2017

20. The NBBC Infrastructure Delivery Plan (IDP) was published in 2017, and was produced to support the production and progression of the Borough Plan and the CIL Charging Schedule. The IDP covers a wide range of infrastructure types, outlining the baseline position of infrastructure provision in the Borough, and considering what infrastructure improvements may be required in the future to support growth proposed for allocation in the Borough Plan.
21. In relation to sports, leisure and recreation facilities, the IDP was informed by a Playing Pitch Strategy⁴, which detailed existing infrastructure shortfalls and future requirements for the Borough. Appendix G identified capital costs for developer contributions towards a range of new and upgraded sports and recreational facilities. Based on the estimated population increases that would arise from sites allocated in the Plan, the IDP estimated the costs which could be applied to each site allocation to contribute towards sports, leisure, and recreational facilities.
22. For all other infrastructure types, the IDP provided general information on potential infrastructure needs, deferring specific details of proposed infrastructure improvements, schemes, and costs, to be outlined within a separate Infrastructure Delivery Schedule (IDS). Without detail on specific infrastructure requirements, projects, and costs, the 2017 IDP does not identify a funding gap for the Borough which can be used to evidence the need for a CIL.

⁴ Playing Pitch Strategy, Knight, Kavanagh and Page, 2016

23. The IDP noted that in 2017 the Council had in place an internal Corporate CIL Working Group, consisting of officers from departments relating to development management, estates, finance, housing and communities, legal, parks and countryside, planning policy, and economic development. This working group sought to develop evidence to inform and implement the production of a levy. The terms of reference for this working group are contained within Appendix A of the IDP. The Council also had an Infrastructure Planning and Delivery Group in place, with the purpose of overseeing the implementation of the IDP, and informing the preparation of the CIL for the Borough. The terms of reference for the Group is presented in Appendix B of the IDP.
24. While progressing the production of the new CIL Charging Schedule, the Council will also need to consider internal processes associated with managing, charging, distributing and spending the levy. DAC Planning will assist the Council in considering internal processes associated with implementing the levy following the submission of the new CIL Charging Schedule. Where these internal working groups are no longer meeting, DAC Planning will assist the Council in considering the re-establishment of these groups, or the creation of new interdisciplinary working groups, which could support the future implementation of the levy.

3.3 Infrastructure Delivery Schedule, February 2019

25. Following requests from the Borough Plan inspector for updates to the IDP during the examination of the Plan, the IDS was published in February 2019 as an examination document. The IDS lists all known infrastructure projects which are required to support growth planned in the Borough Plan. The IDS includes the following information:
 - where appropriate, infrastructure items are linked to relevant site allocations within the Borough Plan;
 - timescales for the delivery of the projects;
 - where known, an estimated cost of the infrastructure item is provided; and
 - appropriate funding opportunities and delivery partners.
26. Some infrastructure projects within the IDS remain uncertain regarding exactly which funding sources will be used to support the delivery an infrastructure project. In these instances, the IDS instead outlines a range of funding options, often including CIL and section 106 contributions.
27. The IDP and IDS have recently been prepared in support of an adopted Borough Plan. It is therefore not necessary to produce a full update of these documents to inform the production of a new CIL Charging Schedule. To clearly identify potential future infrastructure costs in the Borough, and to develop an understanding of the need for CIL based on a Borough wide infrastructure funding gap, an amended version of the IDS has been produced, and is presented in Appendix 1. The amended IDS includes the following amendments in comparison with the version presented to the Borough Plan examiner in February 2019:
 - Where there are multiple sites associated with a single infrastructure project, the listing of the sites has been separated to present the costs associated with individual site allocations. The project costs have been apportioned between the sites either based on an even distribution of costs across the sites, or based on the proportion of

the total development associated with the infrastructure project⁵. The approach to apportionment for the purposes of this exercise was determined by the infrastructure type and the number of sites associated with the infrastructure project. This amendment has been made to allow a calculation of likely S106 contributions for each site, as presented in Table 4. This information will be used by the new CIL viability assessment to determine the infrastructure costs associated with each strategic site.

- The amount of received or agreed funding and identified infrastructure costs are clearly presented within separate columns. Highlighting this information allows an infrastructure funding gap to be calculated within the table.
 - Infrastructure which would be likely to be delivered through S106 contributions is clearly presented, with potential contributions listed within a separate column. Any sites identified within the 2019 IDS as being linked to an infrastructure project where the 'funding and delivery partners' column identified S106 as a potential funding source, are listed within the 'likely S106' column in the amended IDS.
 - Infrastructure projects identified within the IDS as potentially being appropriate for funding through a CIL, are presented in a separate column. Where the 2019 IDS identified CIL as one of a number of potential funding sources, and an infrastructure project was linked to 'all HSG sites, all sites, Borough wide, north sub area, south sub area, and Nuneaton', it has been assumed that the need for the infrastructure project cannot be attributed to a single site, therefore these sites have been listed within the amended IDS as having the potential for being funded through CIL.
28. The information contained within the IDS has been collated to present the aggregate Borough wide infrastructure funding gap, total potential future S106 and CIL contributions towards infrastructure projects, and to provide a summary of the likely S106 contributions towards infrastructure costs for each strategic residential site allocation in the Borough Plan. This collated information is presented within Tables 3 and 4 below.

⁵ For example, where 3 sites are associated with one infrastructure project costing £100,000, and Site A is for 50 dwellings, Site B is for 90 dwellings, and Site C is for 120 dwelling, the proportionate contribution for each site is calculated as follows:

- Site A, $50 \text{ (number of dwellings on site A)} / 260 \text{ (total number of dwellings across the 3 sites)} \times £100,000 \text{ (cost of the infrastructure)} = £19,231$
- Site B, $90 / 260 \times £100,000 = £34,615$
- Site C, $120 / 260 \times £100,000 = £46,154$

Table 3: Summary of the infrastructure costs contained within the Infrastructure Delivery Schedule

Infrastructure type	Total infrastructure costs	Total funding received / agreed	Total cost of projects identified as being likely to be funded by S106 contributions	Total funding gap	Total cost of projects identified as potentially being funded through a CIL ⁶
Education	£65,935,545	£0	£65,935,545	£0	£0
Green infrastructure	£3,548,707	£0	£2,683,000	£865,707	£865,707
Health	£4,802,277	£0	£4,802,277	£0	£0
Social	£1,371,388	£0	£4,640	£1,366,748	£1,366,748
Sports and leisure	£71,137,966	£0	£12,851,666	£58,286,300	£58,286,300
Transport	£166,939,339	£27,887,000	£12,730,339	£126,322,000	£72,942,000
Utilities	£4,305,000	£4,305,000	£0	£0	£0
Water and flood mitigation	£0	£0	£0	£0	£0
Total	£318,040,222	£32,192,000	£99,007,467	£186,840,755	£133,460,755

Table 4: Summary of likely S106 contributions identified in the Infrastructure Delivery Schedule from known infrastructure costs for strategic residential site allocations in the Borough Plan⁷

Site allocation	Total likely S106 contributions	No. dwellings	Cost per dwelling
HSG 1	£58,992,337	4419	£13,350
HSG 2	£7,956,351	1525	£5,217
HSG 3	£2,347,300	575	£4,082
HSG 4	£5,295,304	689	£7,685
HSG 5	£3,368,252	398	£8,463
HSG 6	£2,089,231	220	£9,497
HSG 7	£2,629,299	196	£13,415
HSG 8	£4,773,948	495	£9,644
HSG 9	£2,956,222	621	£4,760
HSG 10	£2,270,969	360	£6,308
HSG 11	£1,710,059	200	£8,550
HSG 12	£2,303,823	380	£6,063
EMP 2	£1,032,722	73	£14,147
Total	£97,725,818	10,151	£9,627

⁶ CIL will not raise sufficient revenue to fund all of these projects in their entirety, but the evidence demonstrates and establishes a clear need for a CIL in the Borough through the identification of an infrastructure funding gap.

⁷ Note that the costs collated in Table 4 represent the best information available to the Council at the time of producing the IDS. Where the majority of the strategic sites have not been subject to detailed planning applications, the infrastructure information available at this stage is predominantly indicative and subject to change as the detailed elements of these schemes are progressed.

29. The 2014 and 2016 viability assessments undertaken on behalf of the Council to support the progression of the CIL PDCS and the Borough Plan did not incorporate per site infrastructure cost estimates for strategic sites. Instead, these assessments tested a range of potential S106 costs depending on the type of site being considered. Detailed per site infrastructure cost estimates for strategic residential sites are now available within the amended IDS presented in Appendix 1 and Table 4. This information should be used within the new CIL viability assessment supporting the production of the new CIL Charging Schedule, to assess the ability of development sites in the Borough to remain financially viable while accommodating a levy in addition to existing development and infrastructure costs. The CIL viability assessment should also consider any additional development costs resulting from policies contained within the Borough Plan and emerging supplementary planning documents. These potential additional costs are considered within the following sections.

3.4 The Borough Plan 2011-2031

30. The NBBC Borough Plan 2011-2031 was adopted in June 2019. The Plan seeks to guide the delivery of 14,060 homes, 107.8ha of employment land, 39 traveller pitches and 5 transit pitches between 2011 and 2031. To meet the residential and employment needs for the area the Plan allocates 10,151 dwellings and 86.3ha of employment land on 17 strategic sites throughout the Borough.
31. There are 51 policies in the Plan which could have an impact on the cost of development in the Borough, and could therefore affect the ability of new development to remain viable with the imposition of a levy in addition to the development costs associated with policies contained in the Borough Plan. The viability assessment supporting the production of the CIL Charging Schedule will need to take into account any additional development costs, over and above those considered standard development costs such as providing vehicular access or local design features, resulting from policies in the Borough Plan.
32. The 2016 Local Plan Viability Assessment summarised above assessed all emerging Borough Plan policies to consider their impact on the viability of development. The policies identified within the assessment as having the largest impact on the viability of development were policies associated with affordable housing, sustainable development requirements particularly relating to building for life, lifetime homes, code for sustainable homes, passive solar design, and renewable and low carbon energy. The Assessment highlighted that emerging Borough Plan policies at times went beyond minimum national standards and building regulations, therefore incurring additional development costs upon new development in the area.
33. Any potential additional development costs, over and above normal development costs associated with new development, which should be considered within the CIL viability study are presented in the Table 5 below. Table 5 does not include infrastructure requirements listed within the site allocation policies HSG 1 to HSG 12 and EMP 1 to EMP 7, as this information is contained within the IDS in Appendix 1, and is therefore captured in the information contained within Tables 3 and 4.

Table 5: Borough Plan policies which could have an impact on the financial viability of development in the Borough

Policy	Summary	Potential impact on development costs
H2 Affordable housing	Requirement for development proposals of 15 dwellings or more dwellings to provide 25% affordable housing, and for development of 11 to 14 dwellings to provide two affordable units.	Provision of affordable housing is an additional cost for new developments of 11 or more dwellings.
BE3 Sustainable design and construction	<p>Major development proposals must provide a statement with their application showing how their proposal will:</p> <ol style="list-style-type: none"> 1. Meet all the questions set out in the Buildings for Life 12 standard, or justify why requirements have not been met and set out appropriate mitigation. 2. Meet the optional Building Regulations requirement M4(2) for 'accessible and adaptable dwellings' for 35 % of the development proposal. 3. Install rainwater harvesting systems in the curtilage of all new buildings. 4. Integrate the principles of passive solar design. 5. Contribute to reducing crime and fear of crime by meeting the principles of Secured By Design. 6. Minimise the potential for pollution of air, soil, noise and light, and in particular not contribute to unacceptable levels of air pollution. <p>Major non-domestic development proposals must meet the Building Research Establishment's Environmental Assessment Method (BREEAM) very good standard for new construction projects, using the most up-to-date new construction version of BREEAM, where technically and financially feasible.</p>	The requirements set out within the policy go beyond the minimum standards for design and construction, and would therefore result in additional development costs for major developments in the Borough.

3.5 Supplementary Planning Documents

34. A range of Supplementary Planning Documents (SPDs) were published for consultation by NBBC in October 2019 to provide further detail on policies in the Borough Plan relating to affordable housing, air quality, sustainable design and construction, and concept plans for strategic site allocations. The SPDs were adopted in July 2020.
35. The Affordable Housing SPD provides comprehensive information on how affordable housing should be delivered in the Borough, but does not provide any new requirements which would incur additional development costs that should be considered within a CIL viability assessment, in addition to those set out within Borough Plan Policy H2 Affordable Housing.
36. The Air Quality SPD provides information on the types of development which would be required to produce an Air Quality Impact Assessment (AQIA), how an AQIA should be undertaken, and where necessary, how an approach to mitigation should be determined. The guidance within the SPD may result in a development proposal requiring the production of an AQIA, and while this may result in additional costs, the production of an AQIA is not considered a development cost which is additional to the normal costs associated with developments. The production of an AQIA is a common requirement for new development proposals where there are concerns regarding the impact on local air quality as a result of the new development. The CIL viability assessment would not therefore be required to consider the need to produce an AQIA as a separate additional cost. Where any required air quality mitigation measures supporting specific developments are known, the CIL viability assessment could take this infrastructure project into account. There are currently no air quality management projects which should be included within Appendix 1 and a future CIL viability assessment.
37. The Sustainable Design and Construction SPD provides additional guidance in relation to Borough Plan Policy BE3 Sustainable Design and Construction, and outlines how new development proposals should seek to deliver sustainable design and construction. The 2016 Local Plan Viability Assessment identified Policy BE3 as having requirements which could potentially increase local development costs. This SPD provides further detail on these requirements, which may assist a future CIL viability assessment to more accurately consider the implications of these requirements on development costs in the local area. It is therefore recommended that this document is considered, alongside Borough Plan Policy BE3, in a future CIL viability assessment.
38. Concept Plan SPDs have been produced for all strategic site allocations in the Borough Plan, to guide future development, highlight key principles, and ensure that sites are considered in a strategic and comprehensive manner. The Concept Plan SPDs provide a visual representation of the Borough Plan strategic policies HSG1 to EMP7. The Concept Plan SPDs do not therefore introduce any additional requirements and development costs on strategic sites that would need to be considered within the CIL viability assessment.

3.6 Five Year Housing Land Supply Statement, April 2020

39. NBBC published a Five Year Housing Land Supply Statement in April 2020 which provides the most up to date published status of the strategic allocations within the Borough Plan. Table 6 provides a summary of the information within the Statement relating to the strategic allocations.

Table 6: Status of the strategic sites allocated in the Borough Plan, September 2020⁸

Ref	Planning app no.	Address	Position at April 2020	Total capacity
HSG1	032246	The Long Shoot, between 48-130 Davidson Developments, Nuneaton	Complete	66
HSG1	032399	The Long Shoot, land rear of 28-44 (Bellway Phase 1)	Under construction – 1 dwelling to be completed	125
HSG1	033184	Site 18C002: Land at Lower Farm, Weddington Road, Nuneaton (Milby Hall at the Farm)	Under construction – 7 dwellings to be completed	193
HSG1	033184	Site 18C002: Land at Lower Farm, Weddington Road, Nuneaton (Cotton Grange at The Farm)	Complete	221
HSG1	032992	Site 31B007 Land off", The Long Shoot (Bellway Phase 2), Nuneaton	Under construction	250
HSG1	033758	"Site 29B002 - Land off", Weddington Road, Nuneaton, (South of Lower) (Barratt - St James' Gate)	Under construction	245
HSG1	034571	Dubh-Linn, 431 Higham Lane	Complete	1
HSG1	034360	Site 31B004 - Land rear of 194-262, The Long Shoot, Nuneaton (Davidsons)	Under construction	120
HSG1	034361	Site 31B004 - Land rear of 194-262", The Long Shoot, Nuneaton (Davidsons)	Under construction	35
HSG1	034969	Cresswells Farm, The Long Shoot, Nuneaton, (Jelsons Ltd)	Under construction	150
HSG1	034076	Site 31A002 - Land off, Higham Lane, Nuneaton, (adj Nuneaton Fields Farm) (Persimmon Homes Eaton Place)	Under construction	453
HSG1	035279	Remaining land at Top Farm	Outline application submitted – to be determined by end of 2020	1700
HSG1	034615 (outline) 03692 (reserved matters for 450 dwellings - TBD)	Calendar Farm	Resolution to Grant – outline only Reserved matters for 450 dwellings – to be determined (TBD)	850
HSG1	036873	Land to rear of 28-44 The Long Shoot, Nuneaton (Bellways Phase 3)	Full application – approved July 2020	75
HSG1 total				4,409
HSG2	-	Arbury	No application submitted	1640

⁸ The dwelling numbers in the table are updated from the NBBC Five Year Housing Land Supply Statement, to present the status of strategic site allocations in September 2020. Total dwelling numbers for sites HSG1 and HSG2 are different to the allocations in the Borough Plan, and are therefore not consistent with the dwelling numbers presented in Table 4 and Appendix 1.

HSG3	035037	Gipsy Lane	Outline application approved	575
HSG4	-	Woodlands	No application submitted	689
HSG5	-	Hospital Lane	No application submitted	398
HSG6	035503 (outline) 037022 (full for 133 dwellings TBD)	School Lane	Outline application 035503 (up to 150 dwellings) for part of allocation approved. Reserved matters application 037022 (for 133 dwellings) submitted and TBD.	220
HSG7	-	Land East of Bulkington	No application submitted	196
HSG8	036491 (full application)	Land West of Bulkington	Full application for northern parcel of the site (188 dwellings) – approved Aug 2020. Housing developer interest in other parcels of HSG8	495
HSG9	037122 (hybrid)	Land off Golf Drive	Hybrid – full for 621 dwellings, outline for community centre – to be determined over coming months	621
HSG10	033926	"Site 52D067 - Land off" (Land adj Crematorium), Eastboro Way, Nuneaton	Outline application approved	360
HSG11	035595	Land adjacent Judkins Quarry, Tuttle Hill	Outline application submitted for 400 dwellings – to be determined	200
HSG12	036870 (full app. for 204 dwellings)	Former Hawkesbury Golf course	Full application for 204 dwellings, outline to be submitted shortly for additional 288 dwellings. [N.B Hybrid application submitted previously for 500 dwellings] - TBD	380
EMP2	-	Phoenix Way/Wilsons Lane	No application submitted	73
Total dwellings on strategic allocations				10,256

40. Strategic allocations which have not yet been developed could be assessed within the CIL viability assessment to consider the potential for these sites to remain financially viable whilst also accommodating a CIL charge. The advantages and disadvantages of this approach are considered further in section 5 below.

4. Establishing a case for the implementation of a CIL in the Borough

41. The PPG⁹ states that a Council intending to introduce a CIL *'should focus on providing evidence of an aggregate funding gap that demonstrates the need to put in place the levy. Any significant funding gap should be considered sufficient evidence of the desirability of CIL funding, where other funding sources are not confirmed'*.
42. For the purposes of identifying the funding gap for the Borough, confirmed funding sources are considered to be likely S106 contributions and those where the funding has already been received or agreed and will be provided in the near future as required. The amended IDS presented in Appendix 1, and the summary of this information presented in Table 3 above, identifies the total confirmed infrastructure funding within the Borough to be £131,199,467¹⁰. By deducting the confirmed infrastructure funding from the total cost for all infrastructure listed within the IDS, Table 3 identifies a total infrastructure funding gap for the Borough of £186,840,755¹¹.
43. The information presented within Appendix 1 and Table 3 also identifies that there are projects costing a total of £133,460,755 which have been identified as being potentially appropriate for CIL funding. There are clearly a large number of projects in the Borough which could benefit from the creation of a CIL.
44. Appendix 1 and Table 3 present a significant infrastructure funding gap in the Borough. The Council can therefore demonstrate the need to adopt a levy in the Borough.

5. Options for charging the levy in the Borough

45. The rates in the previous PDCS were based on the conclusions of the 2014 Viability Assessment summarised in section 2.1. Since the publication of the PDCS in 2015 there have been changes to the CIL Regulations and national planning policy, the Borough Plan has been adopted, and it is highly likely that there have been changes in land values, house values, and development costs. It is therefore appropriate for NBBC to reconsider the approach to charging CIL in the Borough to ensure that the Council is maximising the potential for CIL revenue generation, while also ensuring that development in the area remains financially viable.

⁹ PPG Paragraph: 017 Reference ID: 25-017-20190901

¹⁰ Total funding received / agreed £32,192,000 + Total cost of projects identified as being likely to be funded by S106 contributions £99,007,467 = total confirmed infrastructure funding £131,199,467

¹¹ Total infrastructure costs £318,040,222 – total confirmed infrastructure funding £131,199,467 = infrastructure funding gap £186,840,755

5.1 Approaches to charging the levy in the surrounding area

46. While the approach to determining appropriate CIL rates should be based on evidence within the CIL viability assessment, and should where possible use locally based land values, house values, and development costs, a review of the approach to charging CIL within the surrounding area can be helpful.

Table 7: Summary of adopted CIL charging rates and affordable housing requirements in the surrounding area

Local authority	Adoption date	CIL rate	Affordable housing requirement
Daventry	31/07/2015	<p>Two residential charging zones, consisting of £50 per sqm in one area and £200 per sqm (reduced to £65 per sqm if there is sufficient affordable housing provided) in the other.</p> <p>Two retail development charging zones with rates of £100 and £0 per square metre.</p> <p>No charge for all other uses.</p>	<p>25% in Daventry Town</p> <p>35% in growth areas</p> <p>40% in rural areas</p>
Lichfield District Council	19/04/2016	<p>Three residential housing development charging zones with rates of £55, £25 and £14 per square metre. No charge for apartment developments.</p> <p>Supermarkets are charged £160 per square metre. Retail warehouse developments are charged £70 per square metre. Neighbourhood convenience retail developments are charged £20 per square metre.</p> <p>No charge for all other uses.</p>	40%
Stratford-upon-Avon District Council	11/12/2017	<p>Three large residential development and extra care development charging zones with rates of £150, £85 and £0 per square metre. Two small residential development and extra care development charging zones with rates of £75 and £0 per square metre. No charge for retirement home developments.</p> <p>Three retail development (A1-5) charging zones with rates of £120, £10 and £0 per square metre.</p> <p>No charge for all other uses.</p>	35%
Solihull Metropolitan Borough Council	12/04/2016	<p>Three residential charging zones, with rates of £150, £75 and £0 per square metre. Two hotel and residential institution development</p>	40%

Local authority	Adoption date	CIL rate	Affordable housing requirement
		<p>charging zones with rates of £25 and £0 per square metre.</p> <p>Two supermarket and large convenience retail development charging zones with rates of £300 and £0 per square metre. Two small convenience retail development charging zones with rates of £150 and £0 per square metre. Three charging zones for other retail (A1) development with rates of £50, £25 and £0 per square metre. Two financial and professional development (A2) charging zones with rates of £25 and £0 per square metre. Two food and drink development (A3, A4 & A5) charging zones with rates of £100 and £0 per square metre.</p> <p>Two car dealership charging zones with rates of £75 and £0 per square metre. No charge for all other uses.</p>	
Warwick District Council	15/11/2017	<p>Three residential development charging zones with rates of £195, £140 and £70 per square metre. Three strategic residential charging zones with rates of £55, £25 and £0 per square metre. Student housing developments are charged £100 per square metre.</p> <p>Two retail developments charging zones with rates of £65 and £0 per square metre. Large scale retail developments are charged £105 per square metre.</p> <p>No charge for all other uses.</p>	40%

47. As presented in Table 7, there is a range of approaches to charging CIL being undertaken in surrounding authorities. All of the examples have identified different residential CIL charging rates, and 4 of the 5 examples in Table 7 charge residential rates higher than the draft rate proposed within the 2015 NBBC PDCS.
48. All of the examples have at least two residential charging rates above £0 per sqm. Daventry has introduced differential rates¹² based on the provision of affordable housing.
49. All examples include a range of retail CIL rates, including differential rates depending on the type of retail provision and the area it is being provided within. Solihull Metropolitan Borough

¹² See section 5.2 for an explanation of 'differential rates'

Council is the only example to propose rates for other uses in addition to residential and retail development, where rates are also requested for financial and professional, food and drink, and car dealership developments.

50. Based on the approaches of other local authorities in the surrounding area, and in comparison to the draft approach to charging CIL presented in the NBBC PDCS, a new NBBC CIL Charging Schedule could, subject to the conclusions of a new CIL viability assessment, consider:
 - A higher charging rate for residential development. Mechanisms for establishing a higher CIL rate are considered further below.
 - The increased use of differential rates, particularly for residential development where there could be greater variation between land and house values throughout the Borough.
 - Providing a greater range of differential CIL rates for retail development, depending on the type and location of the development.
 - Including rates for other uses beyond residential and retail.
51. Potential options for establishing a higher CIL rate on residential development and the use of differential CIL rates are consider further in the following sections.

5.2 Setting differential rates

52. Differential rates are the charging of different CIL rates, including supplementary charges, nil rates, increased or reduced rates:
 - a) for different zones in which development would be situated;
 - b) by reference to different intended uses of development;
 - c) by reference to the intended gross internal area of development;
 - d) by reference to the intended number of dwellings or units to be constructed or provided under a planning permission¹³.
53. The CIL regulations allow Councils to apply differential rates in a flexible way throughout the area, *'to help ensure the viability of development is not put at risk. Charging authorities should consider how they could use differential rates to optimise the funding they can receive through the levy¹⁴'*. As outlined in section 2 above, the 2014 PDCS proposed charging more than £0 per sqm only on residential sites excluding the strategic allocations in the Borough Plan, and retail and warehouse development over 400m². While the PDCS did include differential rates between retail / warehouse development of different sizes and allocated and non-allocated residential sites, the approach to setting differential rates in order to maximise CIL revenue was limited.
54. The approach to setting CIL rates in the PDCS was based on the conclusions of the 2014 Viability Assessment also summarised in section 2. The 2014 Viability Assessment stated that when setting CIL charging rates, *'the starting point aim should be a simple approach to the charging regime¹⁵'*. In addition, the Assessment stated that *'the CIL principles are such that ideally Charging Schedules should be as simple as possible; i.e. as simple as the viability overview and*

¹³ See Regulation 13, CIL Regulations (as amended) 2010, HM Government

¹⁴ Planning Practice Guidance: Paragraph: 022 Reference ID: 25-022-20190901

¹⁵ Paragraph 3.7.11, Viability Assessment, DSP, 2014

finding the right balance locally will permit. Whilst a more differential approach in theory has the potential to reflect more closely the subtly changing values and viability scenarios moving around such a borough, some level of variety is always found. For CIL it is appropriate to respond only to any more significant variety in broad area characteristics affecting viability¹⁶.

55. Therefore, in addition to ensuring the viability of development in the Borough, a key focus of the setting of rates in the previous PDCS was to present a simple and easy to understand Charging Schedule. While the simplicity of the Charging Schedule is an important consideration, for the new CIL Charging Schedule the Council could consider seeking to provide more focus on maximising the potential for CIL revenue through increased differential rates between types of development, the location of development, and the size of development.
56. The 2014 Viability Assessment highlighted the impact of land values, sales assumptions, the location of development, and the type of development, on the viability of new development in the Borough. Where the charging of a levy may render some development financially unviable, bringing together broad development types in the setting of CIL rates will inhibit the ability of some more viable developments to be charged a levy. Creating more differential CIL rates which can take account of varying land values, location, and development types, will therefore increase the amount of development which could be charged a levy, and in theory increase overall receipts
57. Using a zoning approach to setting CIL rates allows locational variations in land and sales values to be taken into account. The 2014 Viability Assessment considered a zoning approach, but determined that ‘whilst there is a degree of varying residential values across the Borough, the evidence of likely delivery taken alongside the viability research and findings, suggests that there is insufficient justification for a zoned approach’. The only zoning proposed therefore was between the strategic sites and residential development outside these areas.
58. While it is acknowledged that the use of differential rates can make a levy more complicated to understand and administer, the ability to generate more CIL revenue by increasing the amount of development which would be liable to pay the levy makes the increased use of differential rates an attractive option. It is therefore recommended that the CIL viability assessment should seek to identify opportunities to maximise the potential for CIL revenue through consideration of the use of differential CIL rates based on:
 - a) The use of the development, for example residential, retail, office etc.
 - b) The size of development, for example minor or major residential development and development over a specified size.
 - c) The location of development within the Borough, identifying higher and lower value areas, and setting CIL rates accordingly.
 - d) The location of development, on either greenfield sites or previously developed sites.

5.3 Determining an appropriate buffer within the levy rates

59. In relation to considering how CIL rates should be set within an area, the PPG states that ‘*a charging authority’s proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence. For example, this might not be appropriate if the evidence pointed to setting a charge right at the margins of*

¹⁶ Paragraph 3.6.3, Viability Assessment, DSP, 2014

viability. There is room for some pragmatism. It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust¹⁷.

60. In considering an appropriate buffer to incorporate into recommendations on a CIL rate, the 2014 Viability Assessment acknowledged that there is a significant difference between the ability of uncomplicated lower value greenfield sites to accommodate a levy, in comparison to a high value more complicated previously developed site. Where a single CIL rate was being proposed through all residential development outside of strategic allocations, the buffer applied was required to be sufficiently flexible to accommodate varying locational values, assumptions, and types of residential development. The buffer being applied was therefore much larger than may be required when setting a CIL rate for just one type of residential development in a specified location.
61. It is therefore recommended that in addition to seeking to test a greater range of differential rates within the Borough, the CIL viability assessment seeks to create differential rates that allows more certainty in the rate being applied for the specific type of development or location, and therefore allows for a significantly reduced buffer within the CIL rate. This approach will allow a higher rate of CIL to be set, and would therefore increase the funds being created through the levy.

5.4 Setting levy rates on strategic allocations in the Borough Plan

62. The 2014 Viability Assessment raised concerns regarding the ability of strategic residential allocations in the Borough Plan to maintain financial viability with the imposition of a CIL levy. The Assessment therefore recommended a rate of £0 per sqm for strategic sites allocated in the Borough Plan. However, in 2014 there was limited information available to the DSP regarding infrastructure requirements and potential S106 contributions relating to each strategic site allocated in the Borough Plan. The more detailed information which is now available and presented in Appendix 1, and Tables 3 and 4 above, could result in significantly different conclusions being made on the viability of strategic sites and their ability to pay a CIL.
63. Table 4 above collates information contained within the 2019 IDS to outline total likely S106 contributions from infrastructure projects with known costs for each strategic residential site allocation¹⁸. Only two of the strategic sites have S106 costs over £10,000 per dwelling, with HSG7 the highest at £14,580 per dwelling. The estimated per dwelling S106 costs outlined within Table 4 are not considered to be excessively high, in other areas significantly higher per dwelling S106 contributions can be observed on viable development sites.
64. In addition to S106 contributions, another significant planning policy related cost upon the development of the strategic sites is the provision of affordable housing. Based on the advice of the 2014 and 2016 Local Plan Viability Assessments, the Borough Plan set an affordable housing requirement of 25% on the strategic sites. While affordable housing rates vary across the country depending on housing need, infrastructure requirements, and the viability of

¹⁷ Planning Practice Guidance: Paragraph: 020 Reference ID: 25-020-20190901

¹⁸ Note that the costs collated in Table 4 represent the best information available to the Council at the time of producing the IDS. Where the majority of the strategic sites have not been subject to detailed planning applications, the infrastructure information available at this stage is predominantly indicative and subject to change as the detailed elements of these schemes are progressed.

varying types of development in different areas, it is not uncommon for local plans to set affordable housing requirements higher than 25%. Table 7 presents the affordable housing requirements for charging authorities in the surrounding area. The affordable housing requirement in NBBC is lower than all the other authorities listed within the table.

65. While all development sites will have some site specific issues, generally undeveloped greenfield sites are considered to be of lower value, and less likely to be constrained or contaminated, in comparison to brownfield previously developed sites within urban areas. A significant cost associated with the development of greenfield sites is connections to utilities. If this issue can be easily addressed, then the overall costs of developing greenfield sites can often be considerably lower than previously developed sites in urban areas. The strategic allocations are predominantly located on undeveloped greenfield sites formerly included within the Green Belt. Subject to the ability of these sites to access utilities, the development costs associated with these greenfield sites should be relatively low.
66. Taking into account the relatively low per dwelling S106 contributions identified, the 25% affordable housing requirement, and the greenfield location of many of the strategic allocations in the Borough Plan, it is recommended that the potential for CIL to be charged on strategic sites allocated in the Borough Plan without rendering the sites financially unviable should be explored further within the new CIL viability assessment. It is considered that there could be the potential to charge a levy on some of the strategic allocations.
67. The NBBC Five Year Housing Land Supply Statement projects an average of 22 windfall¹⁹ new dwellings per annum between 2021/22 and 2030/31. In relation to the potential for CIL revenue from residential development, the £0 per sqm charge for strategic allocations would therefore result in only limited CIL revenue being collected from residential development outside of the strategic allocations. Given the extent of development proposed within the strategic allocations, if a levy was applied to all or some of the sites, this would significantly increase the potential CIL revenue which could be collected by the Council.
68. Using the CIL rate of £50 per sqm for residential development proposed in the 2015 NBBC CIL PDCS, and allowing levy charges to be made on the allocated sites, Table 8 identifies that a total CIL revenue of up to £38,066,250 could theoretically be collected from strategic sites allocated in the Borough Plan²⁰. Only collecting residential CIL charges from windfall developments identified within the NBBC Five Year Housing Land Supply Statement between 2021/22 and 2030/31, and assuming that only market housing is being proposed, would create a total CIL revenue of £1,100,000 up to 2030/31. Subject to further viability assessments, there are considerable financial benefits in seeking to obtain CIL funding from the strategic sites allocated in the Borough Plan which make this approach an attractive option.
69. An infrastructure funding gap of £125,382,418 has been identified in the Borough, and it is estimated that infrastructure projects totalling £82,002,416 could potentially be appropriately considered for CIL funding. To support the delivery of this infrastructure, the Council should be seeking to maximise the potential for CIL funding to be obtained from all types of development. To increase the potential funds that could be collected through a levy on residential

¹⁹ Windfall developments relates to sites with planning permission for development which were not specifically identified for that purpose within the Borough Plan.

²⁰ Note that this assessment is for presentational purposes only, and does not take into account the current status of individual sites. It is therefore acknowledged that not all of the sites could be charged CIL, as some are subject to existing planning permissions.

development, it is recommended that a new CIL viability assessment considers in greater detail the potential for a levy to be applied to the strategic sites allocated in the Borough Plan.

Table 8: Potential CIL rates on strategic sites allocated in the Borough Plan²¹

Site allocation	No. dwellings	No. dwellings excluding affordable housing ²²	Potential CIL revenue ²³
HSG 1	4419	3,314	£16,571,250
HSG 2	1525	1,144	£5,718,750
HSG 3	575	431	£2,156,250
HSG 4	689	517	£2,583,750
HSG 5	398	299	£1,492,500
HSG 6	220	165	£825,000
HSG 7	196	147	£735,000
HSG 8	495	371	£1,856,250
HSG 9	621	466	£2,328,750
HSG 10	360	270	£1,350,000
HSG 11	200	150	£750,000
HSG 12	380	285	£1,425,000
EMP 1	0	0	£0
EMP 2	73	55	£273,750
EMP 3	0	0	£0
EMP 4	0	0	£0
EMP 7	0	0	£0
Total	10151	7,613	£38,066,250

5.5 Instalments policy

70. The CIL Regulations²⁴ state that a charging authority can implement and amend an instalments policy at any time following appropriate consultation, allowing CIL payments to be made by instalments often based on the progression of development and /or the time since the approval of the development. An instalments policy allows CIL payments to be spread out throughout the life of a project, and can therefore assist the financial viability of the development. CIL Charging Schedules usually include an instalments policy to be considered during the consultation and examination of the draft Charging Schedule. It is therefore recommended that a draft instalments policy is published as part of the draft CIL Charging Schedule consultation, to

²¹ Note that this assessment is for presentational purposes only, and does not take into account the current status of individual sites. It is therefore acknowledged that not all of the sites could be charged CIL, as some are subject to existing planning permissions.

²² As outlined in the Borough Plan, a level of 25% affordable housing has been applied. CIL charges do not apply to affordable housing.

²³ CIL revenue was calculated using an average 3 bedroom house size of 100 sqm and a residential CIL rate of £50 per sqm, as proposed in the 2015 NBBC CIL PDCS.

²⁴ CIL Regulation 2010 (as amended), Paragraph 69b, HM Government

seek views from the development sector on how the policy can support the viability of development in the future.

71. Where the purpose of the instalments policy is primarily to support the viability of development affected by the imposition of a CIL charge, it is recommended that developing an appropriate approach to allowing CIL payment instalments is considered within the production of the CIL viability assessment.

5.6 Relief and exemptions policy

72. The CIL Regulations allow charging authorities to provide relief or exemptions from the levy to specified types of development. The PPG outlines that this can include exemptions to minor development and residential annexes, and relief for charities and social housing developments. Through the consideration of appropriate CIL rates for the area, the Council should consider if there are any types of development occurring in the area which should be considered for relief or exemptions. A relief and exemptions policy does not form part of the CIL Charging Schedule and can be amended at any time following appropriate consultation, however it would be helpful to determine this policy approach through the consultation and examination of the new CIL Charging Schedule.

6. Conclusions

73. The information contained within the Council's Infrastructure Delivery Plan (2017) and the Infrastructure Delivery Schedule (IDS, 2019) identifies a current Borough wide infrastructure funding gap of £186,840,755. A detailed inspection of the information contained within the IDS, summarised in Appendix 1 of this report, identifies that there are a large number of infrastructure projects in the Borough (cost estimates totalling over £133 million) that could potentially be considered in the future for Community Infrastructure Levy (CIL) funding. CIL will not raise sufficient revenue to fund all of these projects in their entirety, but the evidence demonstrates and establishes a clear need for a CIL in the Borough through the identification of an infrastructure funding gap.
74. This report has reviewed the Council's previous draft approach to charging CIL as published in the 2015 CIL Preliminary Draft Charging Schedule (PDCS), the evidence base supporting the production of the previous draft CIL rates, and the extent of adopted CIL rates being applied by charging authorities in the surrounding area. Based on the review of this information, it is recommended that the CIL rates within the 2015 PDCS should be reassessed through a new CIL viability assessment to consider if an alternative approach to charging CIL could be developed, potentially including higher rates, differential rates, an increased range of development liable to pay a levy, and a range of alternative charging zones, which could increase the potential amount of revenue collected through the levy.
75. The consideration of options for charging a levy in the Borough also recommended creating differential rates that allow more certainty in the appropriateness of the rates being applied, allowing for a significantly reduced buffer to be included, and therefore increasing the amount of levy which can be charged. The detailed testing of strategic sites allocated in the Borough

Plan through a new CIL viability assessment, to consider their ability to accommodate a levy charge and remain financially viable, was also recommended. Charging a levy on the strategic sites would support the Council in maximising the potential revenue which could be obtained through the levy.

76. A review of the policies contained within the adopted Borough Plan, and information within the 2019 emerging draft supplementary planning documents and 2016 Local Plan Viability Assessment, identified that policies associated with affordable housing and sustainable development requirements, particularly relating to building for life, lifetime homes, code for sustainable homes, passive solar design, and renewable and low carbon energy, had the greatest impact on the financial viability of new development in the area. Affordable housing requirements within Policy H2 will impact all residential development proposals of 11 and more dwellings, and Policy BE3 includes sustainable design and construction requirements which go beyond minimum national standards and building regulations, and therefore incur additional development costs upon new development in the area. The emerging draft Sustainable Design and Construction Supplementary Planning Document (SPD) consultation draft provides further detail on the requirements of Policy BE3, which may assist a future CIL viability assessment to more accurately consider the implications of these requirements on development costs in the local area. A new CIL viability assessment will therefore need to take into account the impacts of these policy requirements, and the associated SPD, when considering the levy rate which could be applied to new development in the Borough.