

## **BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL**

<b>TO:</b>	<b>Council</b>	<b>REPORT NUMBER: XXXX</b>
<b>FROM:</b>	<b>Andrew Stringer – Cabinet Member for Heritage Planning and Infrastructure</b>  <b>Sallie Davies- Cabinet Member for Heritage Planning and Infrastructure</b>	<b>DATE OF MEETING: 19<sup>th</sup> March 2025 (Mid Suffolk) and 20<sup>th</sup> March 2025 (Babergh).</b>
<b>OFFICER:</b>	<b>Phillip Isbell Acting Director Planning</b>	<b>KEY DECISION REF NO.</b>

### **COMMUNITY INFRASTRUCTURE LEVY (CIL) – PROPOSED REVISED CIL CHARGING RATES (FOR CONSULTATION PURPOSES) FOR BABERGH DISTRICT COUNCIL AND MID SUFFOLK DISTRICT COUNCIL (AS CIL CHARGING AUTHORITIES FOR THEIR ADMINISTRATIVE AREAS)**

#### **1. PURPOSE OF REPORT**

##### **BACKGROUND**

- 1.1 Babergh and Mid Suffolk are separate CIL Charging Authorities for their administrative areas. This was formally agreed by Babergh at their Council meeting on the 20<sup>th</sup> January 2016 and by Mid Suffolk at their Council meeting on the 21<sup>st</sup> January 2016 when the scheme of charging for CIL was adopted by both Councils. Both Councils agreed CIL charging rates (following viability testing) at those meetings and the scheme of CIL charging started on the 11<sup>th</sup> April 2016. These CIL rates (see Section 4 below) have remained in force and are unchanged (see Appendices I (Babergh) and J (Mid Suffolk)).
- 1.2 An Instalments policy for collection was also adopted and given effect on that date; (see Appendices C and D to this report). Under Regulation 69B of the Community Infrastructure Levy (Amendment) Regulations 2010 (as amended), CIL charging authorities are allowed to adopt a policy for deferring CIL payments through payment plans. This policy was adopted by both Councils in January 2016 and given effect on the 11<sup>th</sup> April 2016. It was set up for 2,3,4, or 5 identical CIL payments (under a payment plan) dependant on the amount of CIL to be collected in total. This policy and collection of CIL through deferred CIL payments has remained in force and unchanged since that time with one exception. This exception being the CIL and Coronavirus arrangements which both Councils put in place between 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020 given that most housebuilding stopped on construction sites in both Districts given lock down restrictions. During this period housebuilders were offered the opportunity to defer and make no payments between 1<sup>st</sup> April 2020 to the 30<sup>th</sup> June 2020. In almost all cases this offer was accepted and taken up by large and small housebuilders. This CIL and Coronavirus scheme was reviewed by both

Councils and ended on the 30<sup>th</sup> June 2020 with a reversion to normal payment plan arrangements thereafter.

- 1.3 Also, on the 11<sup>th</sup> April 2016, Regulation 123 Lists (relating to expenditure of CIL on certain types of expenditure) were also adopted for both Councils. The two Regulation 123 Lists were largely similar for Babergh and Mid Suffolk but not identical. They also contained a small list of Strategic sites for development (see paragraph 4.4) where no CIL would be payable due to high infrastructure costs for development of those particular sites. (The infrastructure costs and delivery on these sites were expected to be achieved through s106 Obligations instead). This list of those Strategic development sites is set out for both Councils in the current CIL Charging Schedule – (see Appendices I and J) and referred to in Section 4 below.
- 1.4 However, on the 1<sup>st</sup> September 2019 new amendment CIL Regulations were introduced which abolished the CIL 123 Lists. Both Councils decided voluntarily to produce and adopt a separate **CIL Position Statement** for each Council (albeit identical) to provide clarity for all on which types of infrastructure district CIL would be spent on. These CIL Position statements were identical for both Councils and remained in force until the 11<sup>th</sup> December 2020 whereupon both Councils published their Infrastructure Funding Statement.(IFS - another new provision in the CIL Regulations amendment of September 2019 - see paragraphs 1.5 below). The CIL Position Statements constitute Appendices E and F to this report **but are now defunct** as they have been replaced by the IFS for each Council (which are produced each year by the 31<sup>st</sup> December).
- 1.5 The IFS for each Council is different but contains:-
  - Collection and expenditure of monies under the Community Infrastructure Levy (CIL),
  - Collection and expenditure of monies through s106 Obligations from developers,
  - CIL monies that are paid to and spent by Parishes under Neighbourhood CIL (through annual returns made to both Councils by the Parishes)
  - A list of Infrastructure projects which the Council is supporting financially together with Infrastructure projects which are expected to come forward (to support growth in the future which are largely but not wholly taken from the current iteration of the Infrastructure Delivery Plan (IDP). This List will be known as the “Infrastructure List” for both Councils (as required by Regulation 121 of the CIL Regulations 2019). (see Appendices K and L to this report)
- 1.6 The adoption of the CIL rates documentation in 2016 contained a statement which made it clear that the 2016 CIL rates would not be reviewed within a three-year period following their implementation. This three-year period expired (for both Councils) on the 11<sup>th</sup> April 2019.
- 1.7 Both Councils proposed a revision to their CIL rates as part of the Babergh and Mid Suffolk Joint Local Plan process in November 2020 and carried out a 6-week consultation on 12<sup>th</sup> November/ to 24<sup>th</sup> December 2020. However, it was not possible to continue with that process at that time, as the proposed CIL charges were dependent on mapped sites which were linked to site allocations in the then emerging

Joint Local Plan. The Inspectors who undertook the examination of the Joint Local Plan decided that the Joint Local Plan would be divided into two parts; Part 1 including strategic and local planning policies was subsequently adopted in November 2023 with a separate Part 2 to be produced, which would include the site allocations for both Districts.

- 1.8 Following the publication of National Planning Policy Framework (NPPF) in December 2024, it has now been agreed to undertake a Joint Local Plan Review going forward. On this basis it is considered appropriate in timescale terms to consider a revision to the current CIL rates for both Councils given the completion of viability testing for CIL in November 2024 (see Appendix G).

## **PURPOSE OF THE REPORT**

- 1.9 This viability testing has been carried out taking into account adopted planning policies (Joint Local Plan Part 1), the infrastructure requirements (contained in the IDP) and all relevant development costs. This viability testing has also considered what level of new rates of CIL would be both viable and appropriate given all these financial considerations.
- 1.10 The new proposed rates of CIL which are proposed in this report are therefore informed by this viability testing which demonstrates that the amended rates are viable and would not render any future development sites as undeliverable. In view of this and given the rising costs of infrastructure and the yearly increase of cost multipliers by Infrastructure providers for infrastructure projects, it is essential to revise CIL rates at this time.
- 1.11 The purpose of this report is therefore to seek agreement from both Councils to new proposed revised CIL rates (as set out in Section 4 below) and for these to be the subject of a consultation exercise for a period of six weeks commencing in late April/early May 2025.
- 1.12 Both Councils' agreement is also sought for the continuation of a policy for the deferment of CIL payments so as to strike a balance between supporting housing delivery by house builders (both major and minor developments) and the delivery of infrastructure projects to support growth so that development is sustainable and communities' benefit.

## **2. OPTIONS CONSIDERED**

- 2.1 The CIL Regulations 2010 (as amended) are prescriptive and set out the process to be followed with any CIL charging review. It is expected that evidence around viability testing should inform any amended rates. The amendments to the CIL Regulations of 2019 (introduced on the 1<sup>st</sup> September) revised the amount of consultation required within this revision to the CIL charges process and has streamlined this from two rounds of consultation into one only. This report takes those legislative provisions fully into account.

### **3. RECOMMENDATIONS**

#### **Babergh District Council only**

- 3.1 That Babergh Council approve the content of this report (and all Appendices) with a view to agreeing that this material be the subject of a formal consultation for a period of six weeks commencing in late April/early May 2025.
- 3.2 That Babergh Council agree that all responses to the consultation relating to revisions to the rates of CIL charging will be considered, analysed by the Council's Viability Consultants, and taken into account and fed into an Examination in public to be held by an Inspector. (Babergh Council also agrees to fully consider the Inspectors report when the Examination in public is concluded together with any consequent Inspectors report issued with his/her findings to both Councils. This would allow Babergh Council to consider outcomes together with any revisions and the subsequent adoption of any new revised CIL charging rates for the Council together with an implementation date. Those decisions would be taken at the appropriate stage by the Council).

#### **Mid Suffolk District Council only**

- 3.3 That Mid Suffolk Council approve the content of this report (and all Appendices) with a view to agreeing that this material be the subject of a formal consultation for a period of six weeks commencing in late April/early May 2025.
- 3.4 That Mid Suffolk Council agree that all responses to the consultation relating to revisions to the rates of CIL charging will be considered, analysed by the Council's Viability Consultants, and taken into account and fed into an Examination in public to be held by an Inspector. (Mid Suffolk Council also agrees to fully consider the Inspectors report when the Examination in public is concluded together with any consequent Inspectors report issued with his/her findings to both Councils. This would allow Mid Suffolk Council to consider outcomes together with any revisions and the subsequent adoption of any new revised CIL charging rates for the Council together with an implementation date. Those decisions would be taken at the appropriate stage by the Council).

#### **REASON FOR DECISION**

- 3.5 There are a number of different ways which Infrastructure is delivered following growth within both Districts. Community Infrastructure Levy (CIL) monies have been collected since the implementation of CIL on the 11<sup>th</sup> April 2016 with a range of charges which have remained unaltered and are still in force since that time. At the time of adoption both Councils stated that these rates would not be reviewed within a three-year period following implementation of CIL. This period expired on the 11<sup>th</sup> April 2019. Viability testing has been carried out (November 2024) given the infrastructure requirements (contained in the current Infrastructure Delivery Plan – IDP – 2020) and development costs. This viability testing has considered what new rates of CIL would be both viable and appropriate given all these financial considerations going forward. The revised rates of CIL, which are proposed in this report, are therefore informed by this viability testing. In view of this and given the rising costs of infrastructure and the increase of cost multipliers by Infrastructure providers for their infrastructure projects, it is essential to revise CIL rates at this time. All of these measures and where appropriate, decisions

form ways in which necessary infrastructure supporting growth in the Districts are delivered /or prioritised for the benefit of our communities.

#### 4. KEY INFORMATION

4.1 This part of the report is split into five main parts as set out below:-

- **Existing CIL Rates**
- **Proposed new CIL Charging Rates, Consultation and Future Review**
- **Instalments Policy**
- **Strategic Sites**

##### **Existing CIL Rates**

4.2 As stated in paragraph 1.1 above, the CIL rates that were adopted in 2026 were made under the Planning Act 2008 and the Community Infrastructure Regulations 2010 (as amended). Prior to their adoption, the 2016 CIL charging rates were considered and informed by the Viability Consultant working on behalf of both Councils. The Viability Consultant carried out a full viability exercise in the knowledge of infrastructure needs. The Consultant gave evidence at the Examination in public on both Councils behalf. At that time infrastructure costs were considered and s106 was expected to raise £0.8 million per year. However, in 2016, CIL was expected to generate £1 million per year for the next 15 years. There was also an expectation that Neighbourhood CIL would also generate income for Parishes which they could use to spend on infrastructure.

4.3 However, the above projections of income were also balanced against viability of development sites, industry profit levels and costs of infrastructure and the methods which could be used to provide and pay for infrastructure. It was also balanced against a funding gap which the Inspector concluded CIL could be used for, in order to collect monies to provide infrastructure. A detailed viability assessment was carried out and was taken into account by the Inspector together with all the representations that were raised through the Examination in public and the infrastructure needs that the development was expected to necessitate.

4.4 The Inspector concluded (following the Examination in public) in 2016:-

*“The draft Charging Schedule is supported by detailed evidence of community infrastructure needs and economic viability. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate, and appropriate. I recognise that there are different opinions on individual cost elements and that small variations in some could cumulatively have an impact on viability. However, there are no definitive right or wrong figures to be applied and the assumptions made by the Council in the main reflect appropriate industry costs and are not set too low. The existence of contingency costs and the use of significant viability buffers reinforces the Council’s approach and provides reasonable margins for any additional costs”.*

4.5 These CIL charges were based on defined high and low zone areas of each District (which are mapped and are part of the existing CIL charging rates schedule). They were also influenced by the scale of housing development. A flat rate charge for

convenience retail was also proposed at that time. Subject to some minor modifications by the Inspector, the following rates were proposed to both Councils in January 2016 and were adopted by each Council. They remain the current CIL charging rates (see Appendices I and J) They have not altered since adoption and implementation although the rates set out below contain the current BCIS Indexation rates (February 2025) as follows:-

#### **Existing CIL Rates (for Babergh and Mid Suffolk)**

<b>Development Type</b>	<b>Zone</b>	<b>Current CIL rate (per sqm) Charge Includes BCIS Index rate</b>
Residential Development (1-2 Dwellings) (Use Class C3, Excluding Specialist older persons housing)	Low	£129.60
Residential Development (3+ Dwellings) (Use Class C3, Excluding Specialist older persons housing)	Low	£72
Residential Development (Use Class C3, Excluding Specialist older persons housing)	High	£165.60
Strategic Sites (zero rated and not CIL Liable) – (listed for both Councils (see paragraph 4.17 and Appendices I and J)	N/A	£0
Specialist older persons accommodation (zero rated and not CIL liable)	N/A	£0
Wholly or mainly Convenience retail	District wide	£144
All other uses	District wide	£0

- 4.6 Other adopted elements of the CIL scheme in 2016 considered by the Inspector included the Instalments policy for collection of CIL and the Regulation 123 Lists (which have since been abolished and replaced by each Councils IFS). The other matter considered by the Inspector in 2016 were both Council's approach towards Strategic sites in both Districts. (These matters are considered further below in section 4)

#### **Proposed new CIL Charging Rates, Consultation and Future Review**

- 4.7 Viability Consultants Urba are acting for both Councils; their Viability study forms Appendix G to this report. The following points are important and must be taken into account in relation to any revisions to the CIL charging rates:
- **The Viability exercise in relation to the Infrastructure Delivery Plan for both Councils (IDP)** – The infrastructure needs have been identified through collaborative work with all the infrastructure providers and the evidence collected through this exercise is contained in the Infrastructure Delivery Plan (IDP). This was published for the first time as part of the Regulation 18

Consultation exercise for the emerging Joint Local Plan in July 2019. Since July 2019, the IDP was updated and the current version is dated September 2020. This was shared with the Viability Consultants.

- **Current areas of high and low zones for charging for both Districts were reviewed by the Viability Consultants.** The Viability Consultant considers there are no strategic sites for both Councils (particularly at this stage in the development of the Joint Local Plan Review and also given the fact that all current Strategic sites have detailed or outline planning permission with the majority being built out (see below). The Viability Consultants have proposed revised CIL charges for both Districts based on a thorough assessment of development typologies (i.e. Greenfield / Brownfield land) together with Developer costs, Industry “norm” profits and sales values within the Districts. The suggested rate of charges also reflects whether affordable housing provision would be expected according to planning policy requirements.
- **The outcome of the viability assessment** - was that there should be lower and higher rate zones for housing (as mapped) with CIL charges for both age limited elderly accommodation and extra care accommodation. However, there would be no charges for all flats, all types of retail development, offices, industrial/warehouse and all other uses.
- **The following proposed revised CIL charges** - are those set out below and which will form the subject of the formal consultation exercise required by the CIL Regulations 2010 (as amended) for both Councils. They are identical flat rates charges for use across both Babergh and Mid Suffolk.

4.8 This following table is taken from Appendix A and B to this report:-

**Proposed Revised CIL rates for Babergh and Mid Suffolk (according to Higher and Lower zones which are mapped)**

<b>Development Type / Use</b>	<b>Proposed CIL Rate (per square metre)</b>
Higher Value Zone -Residential development – (Use Class C3*), excluding all flats**, elderly accommodation - age restricted*** or extra care accommodation****)	£215
Lower Value Zone - Residential development – (Use Class C3*), excluding all flats**, elderly accommodation - age restricted*** or extra care accommodation****)	£20
All flats**	£0
Elderly accommodation – age restricted*** – Higher Value Zone (falling in Use Class C3 or as amended)	£80
Elderly accommodation – age restricted*** – Lower Value Zone (falling in Use Class C3 or as amended)	£0

Extra care accommodation**** – Higher Value Zone (falling in Use Class C2***** or as amended)	£250
Extra care accommodation**** – Lower Value Zone (falling in Use Class C2***** or as amended)	£125
Comparison Retail	£0
Convenience Retail	£0
Offices	£0
Industrial/Warehouse	£0
All other uses	£0

## Key

- \* **Class C3 - As defined by the Use Classes Order 1987 (as amended).**
  - \*\* **All flats falling within Class C3 of the Use Classes Order 1987 (as amended)**
  - \*\*\* **All elderly accommodation with an age restriction (over 55 years limited by condition on an outline or reserved matters or planning permission or by an associated s106 Obligation)**
  - \*\*\*\* **Extra care accommodation falling within Class C2 of the Use Classes Order 1987 or as amended**
  - \*\*\*\*\* **Class C2 - As defined by the Use Classes Order 1987 (as amended).**
- 4.9 As Members will be aware from the content of this report, CIL charges are established through evidence collected through viability testing and knowledge of infrastructure needs and housing market conditions.
- 4.10 It is therefore proposed that this range of charges be the subject of the necessary formal consultation. It is recommended that this consultation exercise commences in late April/early May 2025.

## Future review

- 4.11 When the current range of CIL charges was adopted, the Councils gave a commitment in its CIL charging schedule that it would not expect to revise these CIL charges before the expiry of a period of three years. This three-year period expired on the 11<sup>th</sup> April 2019.
- 4.12 In respect of this revised CIL charges review, it is anticipated that consideration will be given to reviewing these CIL charges in the future for both Councils at the appropriate stage, following development of the Joint Local Plan Review.

## Instalments Policy

- 4.13 The CIL Regulations sets a default requiring full payment of the Levy charge within 60 days of the commencement of the chargeable development. However, under Regulation 69B of the Community Infrastructure Levy (Amendment) Regulations 2010 (as amended) it is permissible for a Charging Authority to establish an Instalments Policy, thus offering developers more flexible payment arrangements.



The Inspector made no comments in his report about the Instalments Policy in 2016. Both Councils ultimately decided to introduce a policy allowing deferred payments. This policy still remains in force. (see paragraph 1.2 above and Appendices C and D).

- 4.14 On the whole, this current scheme has worked well with developers generally adhering to the payment plans. It gives some degree of confidence about when payments will be received and allows planning around infrastructure delivery. It is recommended that this principle of having an Instalments policy for both Councils be continued alongside this range of revised CIL charges. Although both Councils Joint Member Panel reviewed changes to the current Instalments policy in 2019/20 (when the earlier range of revised charges were formulated, these revised charges (and the revised Instalments Policy) were ultimately not taken forward. The development market is now significantly different from the market conditions that were in force in 2019/20 and for these reasons it is considered that the current Instalments policy which has generally been working well should be continued with no changes. (See Appendices M and N).

### **Strategic Sites**

- 4.15 These are a list of development sites in both Babergh and Mid Suffolk that were considered Strategic sites in 2016 which because of the size/scale of development would carry high infrastructure costs. They were included on the Regulation 123 Lists and currently form part of the Councils adopted CIL Charging Schedule for each District. They are zero rated for CIL and do not therefore pay CIL. (See Appendices I - Babergh and J - Mid Suffolk).

#### **For Babergh these Strategic sites are identified as:-**

- Chilton Woods, Sudbury
- Strategic broad location for growth – East of Sudbury / Gt Cornard
- Lady Lane, Hadleigh
- Babergh Ipswich Fringe
- Brantham Regeneration Area

#### **For Mid Suffolk, these Strategic sites are identified as:-**

- Chilton Leys, Stowmarket
- Ashes Farm, Stowmarket
- Farriers Road, Stowmarket
- Union Road, Stowmarket
- Lake Park, Needham Market
- Eye Airfield

**The Inspector made the following comments in his report about Strategic Sites in 2016:-**

*“For Strategic sites the Section 106/Section 278 requirements assumed in the Revised Draft CIL Charging Schedule, Examiners Report December 2015 8VS (Viability Study) are much larger and are more bespoke, in recognition of the additional infrastructure needed to develop these sites. This approach is also reasonable.”*

*I have received no objections to these (Viability/site) appraisals or the proposed nil charge for these sites. Based on the evidence before me I consider that a CIL charge could hinder the (Councils) delivery of these strategic sites. The proposed nil rate is therefore consistent with the evidence and is justified”.*

- 4.16 Since 2016 all of these sites have received the benefit of outline and or detailed planning permission as set out below where a legal agreement under s106 has been achieved with an acceptance that no CIL would be payable with the exception of the strategic broad location for growth in Babergh . Some sites have received both outline and detailed permissions and the majority have commenced on site again with no CIL payable. These are as follows:-

**Strategic Sites update for Babergh (March 2025)**

<b>Strategic Sites of January 2016 CIL Charging Schedule</b>	<b>Current position about grant of planning permission with construction on site / need for continued Strategic Site status</b>
Chilton Woods, Sudbury	Outline permission (B/15/01718) granted 29/03/2018. Detailed planning permission (DC/20/05183) granted on 29/4/2021. Further planning permissions: DC/21/02764 granted on 01/01/2021, DC/22/02336 granted on 02/12/2022 and DC/22/05231 granted on 20/01/2025. Construction has started on site. <b>Conclusion – S106 and no CIL payable. There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b>
Strategic broad location for growth – East of Sudbury / Great Cornard	Although this site is part of the current CIL charging schedule as a Strategic site, this site does not form part of any current land allocation in Local Plan terms and there has been no grant of planning permission on the site. The viability exercise carried out by the Councils Viability Consultant has not identified the need for any strategic sites going forward (i.e. s106 only without payment of CIL). <b>Conclusion - There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b>
Lady Lane, Hadleigh	Full planning permission (DC/19/05419) granted on 16.11.2022. Construction on site has started, however this permission does not take up the whole of the Strategic Site as mapped. However, the viability exercise carried out by the Councils Viability Consultant has not identified the need for any Strategic sites going forward (i.e. s106 only without payment of CIL). Neither does Part 1 of the adopted Joint Local Plan contain any land allocations. <b>Conclusion -There is no need to continue this site. (or part of it) as a Strategic Site in the proposed revised CIL rates.</b>

Babergh Ipswich Fringe	<p>Site called 'Wolsey Grange Phase 1', with residential to the north (under construction) and employment to the south. Wolsey Grange Phase 1 benefits from Hybrid permission (B/15/00993) granted 29/08/2018, and Reserved Matters (DC/20/01058) granted 10/07/2020. (145 dwellings under construction from Full permission, 305 dwellings under RM). The first phase has a completed s106 and will not pay CIL under the current CIL charging schedule. Construction has started.</p> <p>The second phase of Wolsey Grange has an outline planning permission DC/21/02671 granted on 12.09.2023. Reserved Matters Application not yet received. This land lies outside the Ipswich Fringe (mapped area forming part of the current CIL charging schedule). On this basis this site will pay CIL (together with a s106 if deemed appropriate). <b>Conclusion - There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b></p>
Brantham Regeneration Area	<p>This site received the benefit of outline planning permission under B/15/00263 granted 18.11.2016 for 320 dwellings. A detailed planning permission was granted on 21.06.2019 under reference DC/19/00881. Construction has started. A S106 has been completed as part of the planning permissions and no CIL is payable. <b>Conclusion - There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b></p> <p>dwellings</p>

### Strategic Sites update for Mid Suffolk

Strategic Sites of January 2016 CIL Charging Schedule	Current position about grant of planning permission with construction on site/need for continued Strategic Site status
Chilton Leys, Stowmarket	<p>Outline planning permission (5007/16) granted 05/07/2018. Reserved matters application approved for 175 dwellings. S106 completed at outline stage and no CIL payable (given the existence of the outline planning permission). Full application 2722/13 granted 17.04.2015 for 215 dwellings. S106 completed on 17.04.2015. Construction has started. <b>Conclusion – There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b></p>
Ashes Farm Stowmarket	<p>The site is in two different ownerships and is being developed separately. Outline planning application (DC/20/01036) for 300 dwellings was granted on 28.09.2023. for the western section of the site. No reserved matters application has yet been submitted for this land. There is an opportunity to submit a reserved matters application for this land and secure an appropriate s106 and pay no CIL until any formal changes are made to the current adopted CIL charging schedule.</p> <p>The remaining land was the subject of a full planning application (DC/21/03287/FUL for 258 dwellings which was granted on 28.04/2023. Construction has started. <b>Conclusion -There is no</b></p>

	<b>need to continue this overall site as a Strategic Site in the proposed revised CIL rates.</b>
Farriers Road, Stowmarket	<p>Site is not allocated in the emerging Joint Local Plan (JLP) as granted planning permission before JLP baseline of 1st April 2018. (Hybrid application refers (1492/15) granted on 06/07/2016. Phase 1 for 75 dwellings under construction. Details (DC/18/05397) for Phase 2, (110 dwellings) and sheltered housing scheme of up to 60 units, granted permission on the 13/06/2019.)</p> <p>S106 completed at outline stage and no CIL payable given the existence of the outline planning permission. Development has commenced on site and the site has started to be built out. Up <b>Conclusion – There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b></p>
Union Road, Onehouse	<p>Full application 4455/16 for 300 dwellings granted 17.08.2018 and commenced 07.10.2019.. Outline application (DC/20/01110) submitted for up to 146 dwellings and granted on the 30 01 2021. Reserved matters granted on 03 05 2021 and construction started 15 06 2022. <b>Conclusion - There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b></p>
Lake Park, Needham Market	<p>Planning permission. (3153/14) granted for 266 dwellings on 14/12/2015. Construction started 25 10 2016.. <b>Conclusion - There is no need to continue this site as a Strategic Site in the proposed revised CIL rates.</b></p>
Eye Airfield	<p>Outline permission (3563/15) granted 27/03/2018 for 280 dwellings. Detailed planning permission DC/20/4067 and DC/21/00609. Construction has started. <b>Conclusion –There is no need to continue this site as a Strategic Site in the proposed revised CIL rates</b></p>

### **Conclusion - Strategic Sites**

- 4.17 The current development status and conclusions reached in respect of each of the Strategic Sites on the current CIL charging schedules for both Council is set out above. On this basis, and as there are no land allocations in part 1 of the adopted Joint Local Plan and as the Viability Consultant has not concluded that any of the above sites not yet built out need to be continued as Strategic Sites, there are no Strategic Sites included within the proposed revised CIL charging schedules.

### **Overall Conclusions**

- 4.18 It is recommended that this proposed range of revised CIL charges (Appendices A and B) alongside the proposed Instalments policy (Appendices M and N) for both Councils be the subject of a consultation exercise commencing in late April/early May 2025.

## **5. LINKS TO OUR PLAN FOR BABERGH AND THE MID SUFFOLK PLAN**

### **Our Plan for Babergh**

- 5.1 The effective spending of CIL will contribute to those priority areas listed below that the Council identified in the Our Plan For Babergh which sets out a vision, approach and strategic priorities for the period 2023-2031 (Climate Change, Lack of Infrastructure, Transport and Communities and Well Being).

### **The Mid Suffolk Plan**

- 5.2 The effective spending of CIL will contribute to those priority areas listed below that the Council identified in The Mid Suffolk Plan which sets out a vision, approach and strategic priorities for the period 2023-2031 (Climate Change, Lack of Infrastructure, Transport and Communities and Well Being).

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The adopted CIL Expenditure Framework and the collection of s106 monies and expenditure of CIL (including Neighbourhood CIL) and s106 are critical to the funding of infrastructure to support inclusive growth and sustainable development. The CIL Regulations stipulate that CIL monies which are collected must be spent on Infrastructure. Section 1.0 of this report sets out the key documents and pathway that has led to the need to consider revised CIL rates for each Council. Delivery of infrastructure projects and those which are likely to emerge in the future in order to support the growth are contained in the Infrastructure Delivery Plan (IDP) – September 2020 and each Councils annual Infrastructure Funding Statements (Appendices K and L).

### **Available CIL Funds for Babergh**

<b>INFRASTRUCTURE FUND</b>	<b>AVAILABLE BALANCE</b>
Strategic Infrastructure Fund	<b>£3,738,776.45</b>
Ringfenced Infrastructure Fund	<b>£8,436,681.09</b>
Local Infrastructure Fund	<b>£3,723,609.59</b>

**Total Funds collected and allocated to Infrastructure projects in Babergh since 2018.**

<b>INFRASTRUCTURE FUND</b>	<b>TOTAL OF COLLECTED INCOME</b>	<b>TOTAL ALLOCATION</b>	<b>TOTAL DE-ALLOCATED (UNDERSPEND OR DEADLINE EXPIRY)</b>	<b>PERCENTAGE OF FUNDS ALLOCATED TO PROJECTS FROM COLLECTED INCOME</b>
<b>STRATEGIC INFRASTRUCTURE FUND</b>	£4,219,228.72	£531,103.56	£37,769.83	12%
<b>RINGFENCED INFRASTRUCTURE FUND</b>	£9,398,509.14	£1,498,493.26	£5,561.65	16%
<b>LOCAL INFRASTRUCTURE FUND</b>	£6,248,413.11	£2,749,292.93	£239,656.07	40%

**Available CIL Funds for Mid Suffolk**

<b>INFRASTRUCTURE FUND</b>	<b>AVAILABLE BALANCE</b>
Strategic Infrastructure Fund	£8,934,449.60
Ringfenced Infrastructure Fund	£23,680,018.67
Local Infrastructure Fund	£6,703,232.69

**Total Funds collected and allocated to Infrastructure projects in Mid Suffolk since 2018.**

<b>INFRASTRUCTURE FUND</b>	<b>TOTAL OF COLLECTED INCOME</b>	<b>TOTAL ALLOCATION</b>	<b>TOTAL DE-ALLOCATED (UNDERSPEND OR DEADLINE EXPIRY)</b>	<b>PERCENTAGE OF FUNDS ALLOCATED TO PROJECTS FROM COLLECTED INCOME</b>
<b>STRATEGIC INFRASTRUCTURE FUND</b>	£11,856,018.98	£3,128,965.45	£207,396.07	25%

<b>RINGFENCED INFRASTRUCTURE FUND</b>	£29,665,552.67	£6,949,858.23	£964,324.23	20%
<b>LOCAL INFRASTRUCTURE FUND</b>	£9,998,028.47	£3,425,642.25	£130,846.47	33%

## 7. LEGAL IMPLICATIONS

- 7.1 This report and appendices are legally sound and robust having been scrutinised by a legal representative from the Councils Shared Legal Service and are in accordance with the CIL Regulations 2010 (as amended) including the amendments contained in the CIL Regulations brought into effect on the 1<sup>st</sup> September 2019.
- 7.2 The process to be followed for the adoption of revised CIL charging rates is as set out below in section 9 below. This report is the first step towards the achievement and adoption of new CIL charging rates/schedules for both Councils by signalling that there is agreement that these rates should be the subject of a formal consultation exercise before being examined in public by an Inspector.

## 8. RISK MANAGEMENT

- 8.1 Key risks are set out below (taken from the Strategic Planning Operational Risk register as follows:-

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference*
Insufficient funds available for critical and essential infrastructure	2	3	Infrastructure needs are detailed through a published Infrastructure Delivery Plan (IDP), which is updated periodically. In addition, each Council produces an annual Infrastructure Funding Statement which lists projects which CIL funding can be spent on to ensure that critical and essential infrastructure provision is made and	Strategic Planning Operational Risk register 11 and 12

			<p>development is thereby sustainable.</p> <p>The opportunity exists for both Councils to revise their CIL charging rates (as contained in this report) to ensure sufficient funds for such infrastructure are available</p>	
Insufficient funds available for infrastructure	3	3	<p>Failure to regularly review the CIL Charging rates would be likely to result in inappropriate rates of CIL being collected by both Councils which would not address rising infrastructure costs</p> <p>This report seeks to review the current CIL charging rates to address this risk to ensure sufficient funds are available for infrastructure.</p>	Strategic Planning Operational Risk register 13
Failure to allocate expenditure such that if we do not secure investment in infrastructure (schools, health, public transport improvements etc.), then development is stifled and/or unsustainable.	2	3	<p>Adopted Community Infrastructure Levy (CIL), secures investment on infrastructure via the planning process (which includes S106). Creating the Councils Corporate Plans, the emerging Joint Local Plan with the Infrastructure Delivery Plan and Infrastructure Funding Statements will ensure that infrastructure across both Councils is satisfactorily addressed.</p>	Strategic Planning Operational Risk register 25



			The opportunity exists for both Councils to revise their CIL charging rates (as contained in this report) to ensure sufficient funds are available for infrastructure	
Revised Community Infrastructure Levy Charging Schedules are not progressed to Consultation and subsequent examination	2	3	The Infrastructure Team will seek formal approval from both Councils to carry out the required 6 weeks Consultation on the revised CIL Rates. Following an assessment of all representations the Councils would proceed to submission for an Inspector to consider (with or without modifications) so that the matter can be examined (by an Inspector). Following the examination the Inspector would submit his findings to both Councils with modifications or without. These would be considered by both Councils for adoption and implementation. A project plan to programme these stages would be utilised to keep the process on track.	Strategic Planning Operational Risk register 35

## **Assurances (for CIL collection and expenditure of monies)**

8.2 Since CIL was implemented for both Councils in April 2016 there have been a number of different measures undertaken to scrutinise collection and expenditure as follows:-

- Internal Audit in September 2016 – Collection of CIL only - High standard found and no recommendations
- Joint Overview and Scrutiny 2017 – Collection of CIL only - examined on a fact sheet basis as a prelude to an Expenditure process
- Internal Audit 2018 Collection of CIL only - following complaints regarding the CIL process in place for Babergh and Mid Suffolk. The investigation concluded *“The information provided to the public in relation to the CIL process is superior to that found for some other Councils and the team go over and above the requirements when supporting applicants where resources allow them to do so. It is Internal Audit’s opinion that the Infrastructure Team, even though working under challenging conditions with increasing numbers of applications, are providing a good service to customers and also pro-actively looking for ways to improve where possible. The audit opinion is therefore high standard”*
- Internal Audit 2018 - Expenditure - conducted a review of CIL Expenditure processes and released a written report. It contains a Substantial Assurance audit opinion (with two good practice points needing to be addressed relating to further clarification of “best value” (one of the criteria for assessing CIL Bids) and storage of all electronic communication.
- Joint Overview and Scrutiny 2019 – report prepared on CIL expenditure with five witnesses including Infrastructure Providers, Cockfield Parish Council, and a member of the Joint Member Panel; the outcomes were fed into the annual review of the CIL Expenditure Framework; the joint document for both Councils which governs CIL expenditure. This document has been reviewed each year since March 2018 when it was introduced and the 7<sup>th</sup> review was planned for winter 2024/25 but has been temporarily placed on hold to consider the impact of the 5 year CIL spending plan from SCC issued in October 2024 alongside a DfE rebuilding of schools programme for the Councils. A new timetable for the 7<sup>th</sup> review will be set out in due course.

8.3 The amendments to the CIL Regulations (September 2019) included a new provision for each Council to produce an annual Infrastructure Funding Statement (IFS) with a government return of the information by the 31<sup>st</sup> December each year. Each annual IFS for both Councils is published on the Councils web site.(see Appendices K and L for the year 2023/24 for both Councils).

## **9. CONSULTATION**

9.1 The CIL Regulations of 2019 (1<sup>st</sup> September) amended the CIL Regulations of 2010 (as amended) and brought in a new requirement for consultation arrangements in the revision of CIL charges to be the subject of one consultation exercise rather than two. This was undertaken to make the process more efficient. It is proposed to run this consultation for six weeks commencing in late Spring/early Summer 2025. Those to be consulted are as follows:-

## **Consultees**

- Major development Housebuilders (10 dwellings and above)
- Minor development Housebuilders (9 dwellings and below)
- Planning Consultants (including those for the above developments)
- Local agents involved in development within Babergh and Mid Suffolk
- All Parish and Town Councils and any Neighbourhood Forums within the two Districts
- Persons who are resident or carrying on a business in the area
- Voluntary bodies some or all of whose activities benefit the charging authority's area.
- Bodies which represent the interests of persons carrying on business in the charging authority's area
- Suffolk County Council, Essex County Council and Norfolk County Council
- West Suffolk, East Suffolk, and Ipswich Borough Council
- Breckland, South Norfolk, Tendring, and Braintree District Councils and Colchester Borough Council

9.2 All the responses to the consultation exercise will be collected analysed and considered. Following the consultation exercise the proposed rates would be subject to Examination in public by an Inspector. The Inspectors findings would then be presented to both Councils for agreement and adoption if appropriate.

## **10. EQUALITY ANALYSIS**

10.1 Please see attached Screening report.

## **11. ENVIRONMENTAL IMPLICATIONS**

11.1 It is important that appropriate infrastructure mitigates harm which could be caused by new development without its provision. Collection of s106 monies and their expenditure, collection, and expenditure of CIL and allocation of neighbourhood CIL to Parishes together with reporting on their spend are ways in which infrastructure is provided. These collection and expenditure arrangements are now reported through the Infrastructure Funding Statement for each Council. The range of existing CIL charging rates were adopted by both Councils in January 2016 and have not altered and currently remain in force. This report seeks approval to revise these rates and put them out for consultation before Examination in public through an Inspector. The expectation being that upon receipt of the Inspectors findings, they would be referred back to both Councils for consideration and adoption (with Modification by the Inspector if appropriate if appropriate. There is no EIA required.

## 12. APPENDICES

Title	Location
A. Appendix A – Proposed Revised CIL Charging Rates for Babergh District Council	ATTACHED
B. Appendix B – Proposed Revised CIL Charging Rates for Mid Suffolk District Council	ATTACHED
C. Appendix C – Existing Instalments Policy for Babergh District Council	ATTACHED
D. Appendix D – Existing Instalments Policy for Mid Suffolk District Council	ATTACHED
E. Appendix E – CIL Position Statement for Babergh District Council	ATTACHED
F. Appendix F – CIL Position Statement for Mid Suffolk District Council	ATTACHED
G. Appendix G – Viability report by Aspinall Verdi – Viability Consultants for the Proposed Revised CIL Charging Rates for CIL for Babergh and Mid Suffolk	ATTACHED
H. Appendix H – Full Equality Impact Assessment (EIA)	ATTACHED
I. Appendix I - Existing CIL Charging Schedule adopted January 2016 (Babergh)	ATTACHED
J. Appendix J – Existing CIL Charging Schedule Adopted January 2016 (Mid Suffolk)	ATTACHED
K. Appendix K – Infrastructure Funding Statement Infrastructure List 2023/24– (Babergh)	ATTACHED
L. Appendix L - Infrastructure Funding Statement Infrastructure List 2023/24 – (Mid Suffolk)	ATTACHED
M. Appendix M - Proposed Instalments Policy for Babergh District Council	ATTACHED
N. Appendix N – Proposed Instalments Policy for Mid Suffolk District Council	ATTACHED

## 13. BACKGROUND DOCUMENTS

- 13.1 The agreement to adopt a range of CIL charges for the Community Infrastructure Levy in both Districts was made by Council at Babergh on the 20<sup>th</sup> January 2016 (for its own administrative area) and by Council at Mid Suffolk on the 21<sup>st</sup> January 2016

(for its own administrative area)..These existing CIL charging rates currently remain in force and constitute Appendices I and J refer) . Both Councils agreed to also adopt an Instalments policy for CIL collection (identical for both Councils - Appendices C and D ) which currently remain in force (see paragraph 13.3 below).

13.2 The original adoption of CIL by Babergh District Council and by Mid Suffolk District Council with all the Appendices are background documents as follows: -

- The adoption of CIL charging rates by Babergh District Council together with the Instalments policy and the Regulation 123 Lists were agreed by Council at Babergh District Council on the 20<sup>th</sup> January 2016

<https://baberghmidsuffolk.moderngov.co.uk/documents/s2001/200116-CIL%20Adoption.pdf>

Appendices to that Adoption document on the 20<sup>th</sup> January 2016

<https://baberghmidsuffolk.moderngov.co.uk/ieListDocuments.aspx?CId=153&MId=445&Ver=4>

- The adoption of CIL charging rates by Mid Suffolk District Council together with the Instalments policy and the Regulation 123 Lists were agreed by Council at Mid Suffolk on the 21<sup>st</sup> January 2016

<https://baberghmidsuffolk.moderngov.co.uk/documents/s940/C-03-16%20-%20FINAL%20-%20CIL%20Adoption%20-%20Mid%20Suffolk%20Full%20Council%20Report%20-%20Jan%202016V3PQV.pdf>

Appendices to that Adoption document on the 21<sup>st</sup> January 2016

<https://baberghmidsuffolk.moderngov.co.uk/ieListDocuments.aspx?CId=154&MId=541&Ver=4>

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