Consultation Statement – Community Infrastructure Levy Draft Charging Schedule

January 2014

In connection with the preparation of the CIL Draft Charging Schedule, a Consultation Statement is required to demonstrate with whom Birmingham City Council consulted, and how they engaged with local people and other interested parties during the preparation of the Charging Schedule.

In accordance with Regulation 17 of the CIL Regulations 2010 (as amended), this Statement confirms that representations were made to Birmingham City Council in respect of the CIL Draft Charging Schedule.

This Statement contains the following information:

- A summary of the individuals and organisations with whom Birmingham City Council consulted
- How those organisations were consulted
- The Consultation Events held
- A summary of the issues raised, and how those issues have been addressed in the amended Draft Charging Schedule.

A six week consultation on the Draft Charging Schedule commenced on Monday 29th September 2014 and ended on Monday 10th November 2014. The consultees were notified by either email or letter. The consultation documents were published on Birmingham City Council's website, and a link to the online consultation portal, Be Heard, was also included. Comments on the Draft Charging Schedule were invited either directly to the Council, or through the consultation portal. Two public consultation "Drop In Sessions" were also held at the Council House on the morning of 16 October 2014 and the afternoon of 17 October 2014.

Statutory and other organisations/developers/individuals on Consultee Database (including additional individuals/developers/agents who requested to be notified)	Approximately 570

Queensway, Birmingham B4 7DQ) and The Library of Birmingham (Centenary Square, Broad Street, Birmingham, B1 2ND).

A press notice was published in the Birmingham Post on Thursday 25 September 2014.

Summary of comments made on the Community Infrastructure Levy Draft Charging Schedule January 2015 and the Council's responses.

Nature of Comment	Do you have any other comments to make regardi ng Birmingham's CIL proposals?	Initial Response to consultation comments
Affordable Housing Viability	I am concerned other the proposal to favour BMHT with a lighter CIL charge, as it sets a poor example to other developers and a potential challenge on an equality of opportunity basis. Given that BHMT already has the advantage of not having to purchase; and they already	

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			of viability and have determined that many types of development in the city, taking into account a "Viability Cushion", are unable to support a CIL at this time. CIL charges will be reviewed on a regular basis to ensure they continue to reflect the viability of development in the city. The distribution of funds following the adoption of CIL will be prioritised by Cabinet and the Council, and education provision is included within the Regulation 123 list.
Listed Building Viability	Generally it would seem to make sense that exceptions could be made to the CIL charging regime where listed buildings particularly with conservation deficits are involved. It isn't logical to add an additional cost to a project where the land value cannot go down, and reducing a profit margin that is often effectively set by		

		It is therefore our intention that all the necessary infrastructure for the SUE will be secured through S106 agreements while other infrastructure will be secured through CIL.
General Viability	Whilst we recognise that flexibility may be required with CIL payments to take account of costs outside of developers' control (such as high development costs associated with redeveloping Listed Buildings), this	

General Viability	Impact of CIL Regulations 2014 (amendment) - the DCS does not include any analysis of the cost or types of infrastructure that are likely to require funding through S106 agreements, and does not include an allowance for offsite S106 costs. As a result, the "balancing exercise" is flawed as it does not include all of the likely costs of bringing forward development, and casts doubt on the level of "headroom" available out of which CIL can be paid.	The GVA CIL Economic Viability Assessment (October 2012 and updated December 2013) reviewed different types of development across the city, using a broad test of viability as required by the CIL Regulations 2010 (as amended). In all cases, the methodology took into account the City Council's relevant current and proposed policy requirements including affordable housing, Code for Sustainable Homes and Design and Quality Standards. In addition, the GVA report (October 2012) states in para 9.13.2 "In considering the impact on viability of the CIL charges set, the Council takes into account the cost of CIL as a percentage of Build Cost - for example a CIL of £115sqm equates to circa 4% of example a Td2(an b)10(e p)10(ai)-e (om)7bero(ng)10(t)s osty 2nciu

Retail Viability	Impact on policies enhancing economic performance - BCC have identified prospective need for convenience retail in certain locations. An appropriate CIL charge will encourage new development, promote redevelopment, employment and enhance vitality and viability. The proposed CIL retail charges would discourage larger retail developments, putting the key policy objectives at risk. The supporting papers do not acknowledge the role of retail and employment or assess the role of retail within the national economy. The substantial CIL charges on supermarkets and a zero rate on other retail

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infrastructure or network improvements, that are needed to mitigate the impact of the development and to make it acceptable in planning terms, are likely to be funded through section 106 and section 278 agreements. We suggest that the Council has significantly underestimated the impact of CIL on the viability of such developments. We request that the underlying viability evidence be revised accordingly.

Charging Schedule consultation contain a "viability cushion", meaning a reduction of 40% in charges

		implications for the economic viability of development across their area.". The GVA CIL Economic Viability Assessment (October 2012 and updated December 2013) reviewed different types of development including residential, employment, retail and leisure and clearly shows those developments which are able to bear a CIL charge. By following this approach, there is no breach of State Aid.
Listed Building Viability	Concerns relating to change of use and conversion projects - The Viability Study does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability.	The CIL Regulations 2010 (as amended) contain a number of exemptions and exclusions, including an allowance for conversion of existing buildings and change of use (Regulation 40 (7) (as amended by the 2014 Regulations)).
Instalment Policy	Instalment Policy - We would recommend that any instalment policy should link the instalments to the pace of the actual development; and should not link the instalments to an arbitrary time frame following on from the date the development is commenced.	Regulation 69 (B) (CIL (Amendment) Regulation 2011) allows the City Council to publish an instalment policy. The Council's current instalment policy provides for payment up to two years from commencement of development. Without a policy, payment is due in full at the end of 60 days after development has commenced. We feel our approach to payment of instalments is reasonable.
Exceptional Circumstances	Exceptional Circumstances Relief - We note that the Council has indicated that at present it will provide discretionary relief from CIL. We would encourage the Council to adopt an Exceptional Circumstances Relief Policy. By doing so, the Council will have the flexibility to allow strategic or desirable, but unprofitable, development schemes to	Noted. At the present time, the Council have decided not to adopt an exceptional circumstances policy due to the low level of proposed CIL charges. This will be kept under review as part of the CIL process.

	come forward, by exempting them from the CIL charge or reducing it in certain circumstances.	
Infrastructure Provision	Flat Rate Levy - Accepting for the purpose of this argument the premise that CIL is necessary for the purpose of funding Borough-wide infrastructure, a much fairer solution would be to divide the Council's estimate of total infrastructure costs over the charging period (and in this connection, it is important to remember that the Government's guidance as recorded in the National Planning Policy Framework is that only deliverable infrastructure should be included) by the total expected development floor space and apply a flat rate levy across the Borough and across all forms of development. That will have the least possible adverse effect upon the market for land and for development, and yet the greatest possible opportunity for the economy to prosper and thrive and for jobs to be created.	The Community Infrastructure Levy Regulations 2010 (as amended 23 February 2014) Part 3, para 14(1) states "In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between a) the desirability of funding from CIL (in whole or in part), the actual and expected total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across it's area.". Planning Practice Guidance (updated 12/06/2014) states "A charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge. The authority will need to be able to show why they consider that the proposed levy rate or rates set an appropriate balance between the need to fund infrastructure and the potential implications for the economic viability of development across their area.". The GVA CIL Economic Viability Assessment (October 2012 and updated December 2013) reviewed different types of development including residential, employment, retail and leisure. This analysis clearly shows not all

development can afford a CIL and to charge a flat-rate across all development would contradict the CIL regulations, PPG CIL and NPPF para 205 "Where obligations are being sought or revised, local planning authorities should take account of changes

Retail Viability	Lidl have a minimum store size to enable them to operate their standard business model efficiently. Previously this was approximately 1,600 sq m gross on a single level. This floorspace has been accepted by Planning Inspectors at Planning Appeals as the minimum size from which Lidl can trade. More recently, the average store size has increased and the new stores are now generally between 2,000 sq m to 2,300 sq m gross, leading to an average Gross Internal Area (GIA) of over 2,000 sq m.	Noted
Retail Viability	BDP Policy TP21 states there is limited capacity for additional convenience retail development in Bham in the period to 2026 after existing commitments are taken into account (BRNA Update 2013), but the 2013 update does identify a quantitive need for additional convenience floorspace - if you were to convert this requirement into additional deep discounter floorspace using the BRNA calculations, there would be a requirement between 2012 and 2026 of 39,864sqm and 55,294 sqm gross. The DCS could only result in the Big	

Retail Viability	The evidence tests a range of store sizes from 1,500sqm to 6,968 sqm, leading to a charge for convenience stores over 1,500sqm but the viability evidence shows that a 1,500sqm store IS NOT viable, but a 2,700 sqm store IS viable. This is contrary to GVA's advice, which states at Paragraph 4.4 that:- 'The analysis suggests that the results for Scenario A (1,500 sq. m convenience store) are the most sensitive and unable to bear a material CIL contribution. Whilst the appraisals show that large stores, above c2,000 sq. m can afford a significant CIL payment.' Thus, Paragraph 4.4 of GVA's report is clear in advising that a CIL is only viable for stores over circa 2,000 sq m. Second, GVA's assertion that only, convenience retail stores over 2,000 sq m would be viable (and hence able to contribute to CIL) has not been subject to viability test. GVA conclude that a much larger convenience retail store of 2,700 sq m store could support CIL, based upon the outcome of their development appraisal analysis. However, they have not viability tested thresholds

General Viability	GVA have applied Purchasers' Costs of 5.8% in their Development Appraisals. However, the acquisition costs applied to the Site Value equate to only 5.75%. This should be amended to 5.80% to reflect Value Added Tax (VAT) at 20%, in line with market practice. This will also ensure that the assumption is consistent with other areas of GVA's development appraisal.	Noted. The proposed charges reflect the broad viability of development across the city, and as a result of comments received during the consultation, and a review of the evidence presented, it is proposed to amend the Draft Charging Schedule to increase the charging threshold for supermarkets from 1,500 sqm to 2,000sqm.
General Viability	The rent and yield assumptions GVA has applied in their assessment are too high, particularly for stores of 2,700 sq. m and below which are likely to be attractive to discount convenience retailers. This will paint an over-optimistic picture of development viability of convenience retail development throughout the Charging Area.	Noted. However we feel the proposed modifications to the draft charging schedule are reasonable and do not prohibit development activity
Retail Viability	JLL undertaken own viability assessment and sensitivity testing, including testing of a store comprising 2,258sqm to reflect minimum store format. This shows that a store of 1,500sqm or 2,258sqm is not viable for CIL using JLL or GVA BLVs. By way of context, the proposed CIL charge for a 2,258 sq m convenience retail store would equate to £587,000. This cost would equate to approximately 85% of the land value utilising GVA's BLV assumption of £350,000 per acre. This would be a significant additional project cost which would render the development of our client's convenience stores across the Charging Area unviable.	The Community Infrastructure Levy Regulations 2010 (as amended) Part 3, para 14(1) states "In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between a) the desirability of funding from CIL (in whole or in part), the actual and expected total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across it's area.". Planning Practice Guidance (updated 12/06/2014) states "A charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge". The proposed charges reflect the broad

viability of development across the city, and as a result of comments received during the consultation, and a review of the evidence presented, it is proposed to amend the Draft Charging Schedule to

Affordable Housing Viability	A major concern regards paragraph 5.5 related to the 'Birmingham Municipal Housing Trust'. Although we support the intention of the Council to promote further affordable housing delivery through the use of progressive policy, we do not feel a potential advantage should not be afforded to just one provider and believe that CIL is not a legitimate means to do this. Whilst the regulations do offer discretionary social housing relief to be applied, this should not be used to remove CIL obligations from market housing constructed by the Trust as the Council appears to be proposing in its Draft Charging Schedule and supplementary paper Appendix 2v. As well as contravening the CIL Regulations and NPPG guidance, if this were to happen it would also give rise to practical implications. The intention of the proposed measures is to ensure the Trust has a viable developable model but in so doing it we feel it would put the Trust at an unfair advantage over the other providers in the City, many of whom are the RSLs we represent and who, like the Trust, also provide market

However, in some areas of the city, the precise boundary of the high value residential rate areas (as drawn on the Residential Market Areas Vector Map) is

Charging Zone Maps

		keep a simple charging schedule) are based on postcodes.
General	The Environment Agency have no specific comments to make on the CIL Draft Charging Schedule (dated 15 Sept 2014), however can provide comment on the CIL Draft Regulation 123 List (Appendix 7) and Infrastructure Delivery Plan (June 2014). We welcome that ‘city wide schemes to address flooding’ is included on the Reg. 123 List, however feel that this should be broken down further to make reference to the specific flood risk management schemes outlined in the IDP. We hold detailed costing estimates within our recently consented 6-year programme, however this information is not yet in the public domain. We will be able to provide these additional details after it is released in the autumn statement, and recommend that that when available it is included in the IDP and 123 List future updates.	Noted. The Regulation 123 list will be reviewed on a regular basis, and projects will be added or removed as required. As stated in CIL NPPG (12.06.2014), any changes to the Regulation 123 list will be clearly explained and subject to appropriate local consultation.

Residential Viability	McCarthy & Stone and Churchill Retirement Living are concerned that many charging schedules published across the country to date could disproportionately affect the viability of their developments given that they fail to properly consider the impact of CIL on the retirement housing market, which in turn will mean that local older home-owners will be denied the opportunity to live in specialist housing that better meets their needs and aspirations in later life. The consequences of ignoring this evidence is the risk of putting the delivery of the development plan in jeopardy, a situation to be avoided, as Paragraph 29 of the 2012 CIL regulations published by DCLG makes it clear: ‘In proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole’

Residential Viability	The CIL Guidance then stresses the importance of this principle to individual market sectors that play an important role in meeting housing need, housing supply and the delivery of the Development Plan, such as specialist accommodation for the elderly. This is relevant in the context of Paragraph 37 of the Guidance: "… However, resulting charging schedules should not impact disproportionately on particular sectors or specialist forms of development and charging authorities should consider views of developers at an early stage". It is therefore imperative that the emerging CIL rate properly and accurately assesses the viability implications of the development of specialist accommodation for the elderly.	Noted
Residential Viability	Many forms of specialist accommodation for the elderly, such as retirement housing, provide communal areas for residents at an additional cost to developers. Specialist housing providers also have additional financial requirements as opposed to other forms of development that will only pay CIL based on 100% saleable floor space. This does not provide a level playing field for these types of specialist accommodation and a disproportionate charge in relation to saleable area and infrastructure need would be levied. This places providers of specialist accommodation for the elderly at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation.	Noted

Residential Viability	In the case of retirement housing there is also a much longer sales period which reflects the specialist age restricted market and sales pattern of a typical retirement housing development. This has a significant knock on effect upon the financial return on investment. This is particularly important with Empty Property Costs, borrowing and finance costs, and with sales and marketing costs, all of which extend typically for a longer time period. Currently the typical sales rate for a development is approximately one unit per month, so a 40 unit retirement scheme (i.e. an average sized scheme) can take 3-4 years to sell out after the build phase is completed. As a result of this, sales and marketing fees for specialist accommodation for the elderly are typically in excess of 6% of GDV, not 3% as ordinarily applied to conventional residential development.	Noted
Residential Viability	To keep the service charge at an affordable level for residents, service charge monies that would be provided from empty properties are subsidised by the Company (these are typically known as Empty Property Costs). This is a considerable financial responsibility because, as previously mentioned, it usually takes a number of years to fully sell a development.	Noted
Residential Viability	While the BCIS figures are subject to fluctuation it is our experience that specialist accommodation for the elderly tends to remain in the region of 5% more expensive to construct than mainstream apartments, and generally between 15 to 20 % more expensive than estate housing.	Noted.

Residential Viability	Retirement housing product can only be built on a limited range of sites. If the CIL schedule sets the charging rate at a level that means retirement housing schemes cannot compete in land value terms with other uses for these sites (which by nature could be reasonably built elsewhere), then no retirement housing will come forward since no suitable sites will be secured – to the detriment of the housing needs and aspirations of local older people. It is worth noting that Paragraph 27 of the April 2013 Community Infrastructure Levy Guidance recognises that brownfield sites are those where the CIL charge is likely to have the most effect, stating; “The focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viabil

	discuss our comments in more detail and ensure synergy in particular between the proposed CIL, the IDP and the West Midlands Local Transport Plan.	
General	CgMs generally support the CIL rates proposed and in particular the recognition that many forms of development cannot support a CIL charge. However the list of uses provided is not exhaustive and for avoidance of doubt there should be a category indicating "all other forms of development" should be zero rated. In particular there are many forms of Sui Generis uses which could not support a CIL charge such as cash and carriers, membership warehouse clubs, petrol filling stations, car showrooms and multi-storey car parks.	Noted. The Draft Charging Schedule will be amended to clarify this point.
General	Undercroft and ancillary decked car parking should be zero rated, as evidenced by Inspector's Report for London Borough of Barnet Council.	Noted. The Draft Charging Schedule will be amended to clarify this point.

Infrastructure Provision

Student
Housing
Viability

		of £115 per sqm towards a CIL charge." Following the Preliminary Draft Charging Schedule consultation, the proposed charges were amended to introduce a viability cushion, effectively reducing the charge to £69 per sqm.
Student Housing Viability	Whilst we acknowledge this has been reduced from the 'maximum' figure of £115 (which we dispute), we still consider it will put too much student housing development at risk of not being delivered. This is a significant issue in the context of a clear policy recognition of the benefits of delivery of student housing in the city.	The Community Infrastructure Levy Regulations 2010 (as amended 23 February 2014) Part 3, para 14(1) states "In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between a) the desirability of funding from CIL (in whole or in part), the actual and expected total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across it's area.". Planning Practice Guidance (updated 12/06/2014) states "A charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge. The authority will need to be able to

Student Housing Viability	Build cost – The build cost of £1,200 /sq m is too low, significantly so, and an unrealistic measure of the actual cost. Our client's budget is currently is over £1,600/sq m on a site that they are purchasing at Legge Street, Birmingham over 510 cluster bedrooms. The Penworks scheme was built in Q3 of 2013 and, taking inflation into account equates to £1,560/sq m. These costs are borne out on other sites currently being taken through the planning/design process elsewhere in the UK, such as Cambridge and Plymouth for instance.	Noted. CIL PPG (12.06.2014) states the viability assessment should be an area-based approach, involving a broad test of viability across the area. It also states there should be a focus on strategic sites on which the Development Plan relies and those sites (such as brownfield sites) where the impact of the levy is likely to be most significant. It is not, in our opinion, appropriate to use specific sites as suggested on which to base the viability analysis for the whole student accommodation market.
Student Housing Viability	Rental value – Rental values achieved at Selly Oak due to its location for both residential and student use are historically and currently higher than other areas of the city particularly more marginal locations to the north of the city centre such as Aston and Nechells. There should be a range of CIL charges to more accurately reflect the location and price differentials associated with student use across the city and not one single charge focused on the specific area of Selly Oak which benefits from the highest rents achieved in Birmingham.	Noted. The GVA CIL Economic Viability Assessment (October 2012) states "We have spoken to our in house student accommodation team who, having recently completed a number of deals in Birmingham, consider that no premium would be attached to student accommodation development should it come forward in the city centre, rather than in, say, Edgbaston".
General Viability	Yield – We consider that 6.25% is too low a yield as an investor would not be able to support a financial offer on a net initial yield at this level in the Nechells area of Birmingham. Looking at recent investment transactions the market would be more likely to sustain a net initial yield return of no less than 7% resultant in a lower exit capital value of a student development.	Noted.
General Viability	In addition to the above, we question why professional fees have not been included within the viability assessment set out in Table 22. This should be at least 10%.	Noted. However, please note that following consultation responses to the Preliminary Draft Charging Schedule, the GVA viability analysis was updated in December 2013. Para 3.2 of the December report states "In line with the

		recommendation of Examiners of other CILs, and following discussion with the Council, we have reduced the maximum CIL payable by 40% to provide a viability cushion in order to reflect the varying circumstances brought forward by any scheme.". Therefore, the viability cushion should allow development to remain viable, taking into account unforeseen costs.
		The GVA CIL Economic Viability Assessment (October 2012) clearly evidences the ability for student accommodation development to support a CIL 6(ng)10(.TJ 0.16 -1.1530y)14(f)Ocsqisnomiece o9i.Ts7TJ 0.e t
Student Housing Viability	Paragraph 9.12 provides a conclusion that does not seem to stem from any evidence setting this out. There is no link between the proposed CIL rate of £115/sq m and any evidence justifying this rate within the evidence accompanying the draft charging schedule. It may well exist somewhere, but is not clearly set out. It is insufficient for the evidence to justify a lower rate of £69/sq m as being acceptable on the basis that it is lower than the £115/sq m figure, especially where the latter figure is not fully justified.	

			the charging authority should be able to explain its approach clearly.".

We note guidance on differential rates and ‘state aid’ within the NPPG. The evidence base that accompanies the draft charging schedule proposes differential rates, but there is no clear link, which is required, between different levels of viability and different CIL rates. We question why the CIL rate for residential development and student housing is £69/sq m in the high value area,
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State Aid

		attached to student accommodation development should it come forward in the city centre, rather than in, say, Edgbaston". With regard to housing developments, GVA completed a viability analysis using a number of different typologies. This was updated in December 2013, and a decision was made to reduce the lower value residential charging zone to £zero. This is in line with PPG guidance (updated 12/06/2014) which states that "A charging authority should be able to explain how their proposed levy rate or rates will contribute towards the implementation of the relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London), and support development across their area." By charging a CIL in the lower value areas, there is a risk that housing development will be negatively impacted and therefore compromise the delivery of the Development Plan. This risk is effectively removed by charging a £zero CIL. This is supported by the GVA evidence which states "We also understand from the Birmingham SHLAA that some of the anticipated residential development across the city is likely to be on previously residential sites, particularly in the lower value and regeneration areas." (para 3.20)

		need to fund infrastructure and the potential implications for the economic viability of development across their area.". The GVA CIL Economic Viability Assessment (October 2012 and updated December 2013) reviewed different types of development including residential, employment, retail and leisure. This analysis clearly shows not all development can afford a CIL and to charge a flat-rate across all development would contradict the CIL regulations, PPG CIL and NPPF para 205 "Where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled."
General	Following earlier proposals for high charges, we feel that the proposals have gone too far in the other direction. We feel there should be a basic principle of developments over a certain size should make a contribution to the local infrastructure. A sliding scale of contribution can then be used to reflect local demand or need for regeneration.	The Community Infrastructure Levy Regulations 2010 (as amended 23 February 2014) Part 3, para 14(1) states "In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between a) the desirability of funding from CIL (in whole or in part), the actual and expected total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across it's area.". Planning Practice Guidance (updated 12/06/2014) states "A charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge. The authority will need to be able to

implications for the economic viability of development across their area.". The GVA CIL

Residential Viability	The ‘high value’ residential zones appear arbitrary and not based on either property values or a requirement to stimulate or constrain development. For example Weoley is high value and Hall Green is not. Equally only part of the Jewellery Quarter is high value whereas values across the Quarter are driven by quality of development and not location in the Quarter.	Noted. A high resolution map will be produced to clearly show the boundaries of the high and low value areas. This will available in advance of CIL adoption. The residential viability evidence produced by GVA (October 2012 and updated December 2013) tested a series of fourteen hypothetical development schemes including residential and residential led mixed use development. These were drawn up to reflect the envisaged scale, nature and characteristics of current and future residential development across the city. These development schemes were also tested both below and above the Affordable Housing policy threshold to illustrate the impact of affordable housing provision on development to contribute towards a CIL charge. The updated CIL Development Viability Study: Additional Miscellaneous Testing and Analysis used Land Registry data for all residential sales within the administrative boundary for 2011 and 2012 to update the proposed CIL charges following consultation responses to the Preliminary Draft Charging Schedules. This was to determine a "viability cushion" to take into account on site issues. Throughout this process, the viability analysis was deliberately high level, as determined by Planning Practice Guidance (updated 12/06/2014) states "A charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge.". The resulting seven value areas (reduced to two charging zones in order to keep a simple charging schedule) are based on

		postcodes
Listed Building Viability	We strongly support the proposal to charge £0 on vacant buildings brought back into the same use and we recommend extending this to cover all listed buildings (whether statutorily-listed or locally-listed) or buildings of interest in Conservation Areas whether brought back into the same use or a different use providing it is in accordance with the local planning guidance.	

		or rates set an appropriate balance between the need to fund infrastructure and the potential implications for the economic viability of development across their area."
Regulation 123 List	Draft Regulation 123 List observations: • We request that the Great Charles St Queensway connection between the Jewellery Quarter and the Colmore Business District is included in this list. It is our desire to have an at-grade connection between Ludgate Hill and Church St, potentially achieved by connecting St Chads and Queensway tunnels. • We note that 'Open Access Ducting Infrastructure (digital connectivity)' is included on this schedule. We seek that clarification that this is the roll-out of high-speed fibre optic broadband to all homes and businesses in the city centre (inside the Middleway) and local 'town' centres across Birmingham. This is one of the most essential pieces of infrastructure. • We would like to see a commitment to Public Open space, in particular in dense urban areas such as the city centre and inner city residential areas. This may be in the form of a default allocation of the percentage to be spent in the local community, in the absence of any suggestions from said community.	Noted. The Regulation 123 list will be reviewed on a regular basis, and projects will be added or removed as required. As stated in CIL NPPG (12.06.2014), any changes to the Regulation 123 list will be clearly explained and subject to appropriate local consultation.

postcodes.

Residential Viability

Maintain that by not analysing areas/sub districts within

[illegible]

			Additional Miscellaneous Testing and Analysis used Land Registry data for all residential sales within the administrative boundary for 2011 and 2012 to update the proposed CIL charges following consultation responses to the Preliminary Draft Charging Schedules. This was to determine a "viability cushion" to take into account on site issues. Throughout this process, the viability analysis was deliberately high level, as determined by Planning Practice Guidance (updated 12/06/2014) states "A charging authority should use an area-based approach, involving a broad test of viability across their area, as the evidence base to underpin their charge.". The resulting seven value areas (reduced to two charging zones in order to keep a simple charging schedule) are based on postcodes.
	Residential Viability	Individual house extensions above 100sqm will be caught by the CIL charging regime and houses wrongly included in high value areas will be unreasonably and	

Longbridge Infrastructure Tariff	In the case of Longbridge, the Longbridge Area Action Plan currently includes a Longbridge Infrastructure Tariff (LIT). The LIT is a pooled contribution in the same way as the new CIL although noteworthy is subject to viability policy provisions which would affect the way it is imposed. That said, as a tariff or levy contribution it would not be appropriate for the LIT to be in place at the same time as the new CIL. Such an approach would have the effect of double charging and place a significantly greater, unfair and unviable burden upon development at Longbridge. Statute does not allow for the future continuation of tariff or levy pooled contributions when CIL is in place. The CIL Charging Schedule should specifically highlight that upon adoption of the CIL Charging Schedule, the LIT at Longbridge would cease to have effect and would be withdrawn.	Noted. This will be clarified within the Regulation 123 list.
Regulation 123 List	The CIL Draft Regulation 123 list includes a varied range of infrastructure projects around the City. It is unclear as to the priorities within this list and this would provide a greater understanding of infrastructure delivery.	Noted. The methodology for prioritising CIL funds will be developed prior to adoption of CIL.
Emergency Services Viability	The PCCWM clearly has a statutory duty to secure the maintenance of an efficient and effective police force for its area and, of course, the Council is also statutorily required to consider crime and disorder and community safety in the exercise of its duties with the aim of achieving a reduction in crime. Crime and the fear of crime are material considerations throughout the development process and Section 17 of the Crime and Disorder Act 1998 should be paramount.	Noted.

Emergency Services Viability	The PCCWM again OBJECTS to the omission of the PCCWM from Nil CIL charges. The PCCWM is a non-profit making community service which cannot viably afford to contribute to CIL. Indeed, it is itself a community infrastructure provider which should be eligible for receipt of funds raised through CIL. This fact is accepted in the latest Infrastructure Delivery Plan (IDP), June 2014, which identifies the Emergency Services, including the Police, as an infrastructure type capable of receiving CIL.	The CIL Regulation 123 list was created using the projects identified in the Infrastructure Development Plan to support the growth outlined in the Birmingham Development Plan (BDP). As stated in the Infrastructure Delivery Plan, the City Council will continue to engage with the emergency services in seeking to ensure that future infrastructure is delivered in the most appropriate locations. The Regulation 123 list will be reviewed on a regular basis, and projects will be added or removed as required. As stated in CIL NPPG (12.06.2014), any changes to the Regulation 123 list will be clearly explained and subject to appropriate local consultation. The distribution of funds following the adoption of CIL will be prioritised by Cabinet and the Council.
Emergency Services Viability	The PCCWM supports the wording in the IDP which states, '..emergency services represent a key form of social infrastructure, and it needs to be ensured that such provision is sufficient to support the population growth. The City Council will continue to engage with the emergency services in seeking to ensure that future infrastructure is delivered in the most appropriate locations.'	Noted.
Emergency Services Viability	The PCCWM FORMALLY REQUEST that the PCCWM front and back of house services and facilities (eg. Police Stations and administrative offices) be included in the 'CIL Charges' Table at paragraph 6.0 on page 8 of the Draft document. It is requested that, just as for Health, 'All areas' should have a nil rate. It would be unsound for the CIL Charging Schedule not to	Noted. This will be clarified within the Draft Charging Schedule.

Residential Viability	The additional viability testing showed a CIL charge of £33 per sqm could be applied to residential in low value areas (areas 4,5,6,7) which would still allow a cushion of 40% to allow for variance in individual scheme viability but your draft charging schedule shows a nil rate for residential in the low value area. There doesn't appear to be an explanation as to why a nil rate has been applied for residential in the low value areas.	The GVA CIL Economic Viability Assessment (October 2012 and updated December 2013) reviewed residential developments. With regard to housing developments, GVA completed a viability analysis using a number of different typologies. This was updated in December 2013, and a decision was made to reduce the lower value residential charging zone to £zero. This is in line with PPG guidance (updated 12/06/2014) which states that "A charging authority should be able to explain how their proposed levy rate or rates will contribute towards the implementation of the relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London), and support development across their area.". By charging a CIL in the lower value areas, there is a risk that housing development will be negatively impacted and therefore compromise the delivery of the Development Plan. This risk is effectively removed by charging a £zero CIL. This is supported by the GVA evidence which states "We also understand from the Birmingham SHLAA that some of the anticipated residential development across the city is likely to be on previously residential sites, particularly in the lower value and regeneration areas." (para 3.20)

General	English Heritage welcomes the proposed inclusion in the Draft Regulation 1,2, 3 of the following particular matters that you intend to fund, or part fund, through the Community Infrastructure Levy (CIL): Heritage Assets at Risk; Soho House Visitor Centre and Garden; Canal side Improvements which are not required as a direct result of a development; Public realm improvements	Noted.
Infrastructure Provision	We understand from the consultation that the Draft Regulation 123 List is to be reviewed a least once a year and we note that the following are on the list: Canalside Improvements which are not required as a direct result of a development; and Heritage Assets at Risk. We have list of potential projects which could benefit from CIL and would be happy to provide details of them if required. Section 106 agreements will continue to be used for “Site specific matters needed to make the development acceptable in planning terms, which could include: cycle/pedestrian routes and connections if directly required by the development.” Given that the canal towpaths provide cycle and pedestrian routes and enhancements and may be required as a direct result of development we anticipate that canal infrastructure enhancements will be funded by both CIL and s106. Walking and cycling improvements required for the Sustainable Urban Extension at Langley and employment proposals at Peddimore will be funded by s106 rather than CIL. Both of these will affect the Birmingham and Fazeley Canal. The canal infrastructure provides walking and cycling routes and would benefit from improvements.	Noted

Infrastructure Provision	As part of our response to the Development Plan for Birmingham we requested the following: - Langley SUE - The sustainable urban extension could contribute to enhancement of the Birmingham and Fazeley Canal towpath to provide a surface suitable for all weather cycling and walking and join up with the Cycle Ambition works to the west (Hansons Bridge) and the Growth Area to the east (Wiggins Hill Bridge). The Canal & River Trust consider where appropriate and in accordance with the tests, planning obligations secured from the development which will benefit from the canal towpath as an off road route for walking and cycling should be reinvested to the advantage of the canal infrastructure. Peddimore - The Growth Area could contribute to enhancement of the Birmingham and Fazeley Canal towpath to provide a surface suitable for all weather cycling and walking and join up with the Cycle Ambition works to the west (Hansons Bridge) and to the east (beyond Wiggins Hill Bridge). However, we would welcome further discussions with Officers to e0.33 0 Td ( )(h)10(e w)16(es)40.33 0 T0((owe t)2we t)2we1and 4(om)-3(e f)-8(u

General	Amendment to Motion 10B - "comments made by members during the debate will be considered alongside those received from the public under the Cabinet delegation." Comments include:	Noted. The consultation on the Community Infrastructure Levy (CIL) Draft Charging Schedule ended on Monday 10th December 2014. The CIL regulations state the process which should be followed to develop and adopt a CIL, and the documents associated with the consultation cannot be altered during the consultation process. The current Cabinet decision states Cabinet • Agrees and authorises the publication of the documents annexed hereto at appendices 1-8 for a period of six weeks public consultation and, • Delegates to the Director of Planning and Regeneration in consultation with the Member for Development, Transport and the Economy and the Deputy Leader, the authority to make any further necessary change to the DCS arising from t

Residential Viability	Supports the theory of market value areas (MVAs), and the grouping of the MVAs, but a lack of local knowledge leads to MVA 4&5 being excluded from CIL charges when these could support a CIL, leading to a potential reduction in CIL income.	The GVA CIL Economic Viability Assessment (October 2012 and updated December 2013) reviewed residential developments. With regard to housing developments, GVA completed a viability analysis using a number of different typologies. This was updated in December 2013, and a decision was made to reduce the lower value residential charging zone to £zero. This is in line with PPG guidance (updated 12/06/2014) which states that "A charging authority should be able to explain how their proposed levy rate or rates will contribute towards the implementation of the relevant Plan (the Local

		from the Birmingham SHLAA that some of the anticipated residential development across the city is likely to be on previously residential sites, particularly in the lower value and regeneration areas." (para 3.20)
SUE Viability	General unease in the proposal to exempt the SUE from CIL charges. House values will be higher while development costs will be lower than brownfield sites. It seems as though CIL should be applied to the SUE or a major source of planning gain is lost.	The CIL Development Viability Study: Residential Urban Extension paper (updated December 2013) states the viability assumptions for the SUE include £10,000 - £20,000 S106 costs per unit. This will ensure the necessary infrastructure for the SUE is provided through the S106 mechanism. It is noted that the SUE cannot support a CIL payment at either a £10,000 or £20,000 S106 contribution.
General	Concern over how often the valuations will be updated? Will these reflect the nature of the development economy?	Section 17.0 of the CIL Draft Charging Schedule clearly states "we will keep our CIL charges under review to make sure they remain appropriate. If market conditions change significantly, or the infrastructure funding gap changes, we will review and alter the CIL charges as necessary. Any proposed changes to the CIL charge will be posted on the CIL pages on our website, and you will have the opportunity to comment before any changes are made."