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PETERBOROUGH CITY COUNCIL SUMMONS TO A MEETING

You are invited to attend a meeting of the Peterborough City Council, which will be held in the Council Chamber, Town Hall, Peterborough on

WEDNESDAY 23 JULY 2014 at 7.00 pm

AGENDA

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1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes of the meetings held on 16 June 2014:**
 - (a) **Annual Council Mayor Making Meeting** **3 - 4**
 - (b) **Annual Council Meeting** **5 - 12**

COMMUNICATIONS

4. **Mayor's Announcements** **13 - 16**
5. **Leader's Announcements**
6. **Chief Executive's Announcements**

PUBLIC PARTICIPATION

7. **Questions from Members of the Public**
8. **Petitions**
 - (a) **Presented by members of the public**
 - (b) **Presented by Members**

RECOMMENDATIONS AND REPORTS

9. **Executive and Committee Recommendations to Council**
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(a) To the Mayor

(b) To the Leader or Member of the Cabinet

(c) To the Chair of any Committee or Sub-Committee

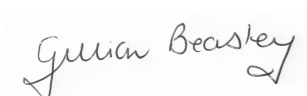
12. Motions on Notice

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(a) Local Government Pension Scheme Discretionary Policy

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Chief Executive

15 July 2014
Town Hall
Bridge Street
Peterborough

Emergency Evacuation Procedure – Outside Normal Office Hours

In the event of the fire alarm sounding all persons should vacate the building by way of the nearest escape route and proceed directly to the assembly point in front of the Cathedral. The duty Beadle will assume overall control during any evacuation, however in the unlikely event the Beadle is unavailable, this responsibility will be assumed by the Committee Chair.

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**MINUTES OF THE ANNUAL COUNCIL MAYOR MAKING MEETING
HELD MONDAY 16 JUNE 2014**

Present:

Councillors Allen, Arculus, Ash, Brown, Casey, Cereste, Davidson, Day, Elsey, Ferris, Fletcher, Forbes, Fower, Frances Fox, John Fox, Judy Fox, Harper, Harrington, Herdman, Hiller, Holdich, Iqbal, Jamil, Johnson, Khan, Knowles, Lamb, Lane, Lee, Maqbool, Martin, Miners, Murphy, Nawaz, Nadeem, North, Okonkowski, Over, Peach, Rush, Saltmarsh, Sanders, Sandford, Scott, Seaton, Serluca, Shabbir, Shaheed, Sharp, Shearman, Stokes, Swift, Sylvester, Thacker, Thulbourn and Walsh.

The Mayor addressed the meeting and requested Members consent to photographs being taking during the ceremonial proceedings. This was agreed by Members.

1. Apologies for Absence

Apologies for absence were received from Councillor Fitzgerald.

2. Election for the Mayor 2014 / 2015

The Retiring Mayor requested nominations for the election of Mayor for 2014 / 2015.

Councillor Over was nominated by Councillor Rush, this being seconded by Councillor Serluca.

There being no other nominations, Councillor Over was duly elected Mayor for the Municipal Year 2014 / 2015.

The Mayor made and signed his Declaration of Office and the retiring Mayor, Councillor Stokes invested the Mayor with his Chain of Office and presented him with a badge in recognition of his term of office.

The retiring Mayoress, Ms Karien Gait invested the Mayoress, Mrs Jackie Over, with her Chain of Office and presented her with a gift in recognition of her term of office.

3. Election for the Deputy Mayor for 2014 / 2015

The Mayor requested nominations for the election of Deputy Mayor for 2014 / 2015.

Councillor Harper was nominated by Councillor Serluca, this being seconded by Councillor Hiller.

Councillor Saltmarsh was nominated by Councillor Harrington, this being seconded by Councillor Miners.

Following a vote (29 For Councillor Harper, 15 For Councillor Saltmarsh), Councillor Harper was duly elected Deputy Mayor for the Municipal Year 2014 / 2015.

The Deputy Mayor made and signed his Declaration of Office. The Mayor invested the Deputy Mayor with his Chain of Office and the Mayoress invested the Deputy Mayoress, Mrs Rita Harper, with her Chain of Office.

4. Investiture of Badges of Office and Vote of Thanks to the Retiring Mayor

Councillor Cereste proposed a vote of thanks to the retiring Mayor, Councillor Stokes, and commended her dedication to the role; the amount of money she had raised for charity and the number of events which she had attended throughout the year. Councillor Cereste also paid further tribute to the deputy Mayoress, Ms Karien Gait. This vote of thanks was seconded and endorsed by Councillor Elsey. Group Leaders supported the vote of thanks, commenting on the fair way that Councillor Stokes had chaired the Full Council meetings during the year. Following Group Leaders comments, all Members agreed to support the vote of thanks.

Councillor Stokes responded to the vote of thanks and expressed her gratitude to all the people who had supported her throughout her term of office as Mayor.

Councillor Stokes further highlighted her key achievements over the year and advised that, to date, £37,457.65 had been raised for her chosen charities.

The Mayor invited Councillor Stokes to receive her Past Mayors Badge in recognition of her service to the city during her term of office. Upon receiving her Past Mayors Badge, Councillor Stokes presented the retiring Mayoress with her Past Mayoress's Badge, the retiring Deputy Mayor with his Badge, along with a gift for the retiring Deputy Mayoress, Mrs Naheed Akhtar and the retiring Mayor's Chaplain, Reverend Doctor Donald McFadyen with a gift.

A special award was presented by Councillor Stokes to Mr John Hucklesby and Mrs Jill Hucklesby, who ran the Peterborough Talking Newspaper, highlighting that the service provided had transformed the lives of blind people living in the city.

The Mayor thanked all Members for their support in electing him as Mayor, and further welcomed all the newly elected Councillors to the Chamber. The Mayor confirmed his chosen charities for his term of office as Shine, Little Miracles and the Soldiers, Sailors Airmen and Families Association.

The Mayor further advised that his chaplain for the forthcoming year would be Reverend David Maylor.

Following the conclusion of the ceremonial part of the proceedings, the meeting was adjourned for refreshments.

6.30pm – 7.10pm
Mayor

**MINUTES OF THE ANNUAL COUNCIL MEETING
HELD MONDAY 16 JUNE 2014**

THE MAYOR – COUNCILLOR DAVID OVER

Present:

Councillors Allen, Arculus, Ash, Brown, Casey, Cereste, Davidson, Day, Elsey, Ferris, Fletcher, Forbes, Fower, Frances Fox, John Fox, Judy Fox, Harper, Harrington, Herdman, Hiller, Holdich, Iqbal, Jamil, Johnson, Khan, Knowles, Lamb, Lane, Lee, Maqbool, Martin, Miners, Murphy, Nawaz, Nadeem, North, Okonkowski, Over, Peach, Rush, Saltmarsh, Sanders, Sandford, Scott, Seaton, Serluca, Shabbir, Shaheed, Sharp, Shearman, Stokes, Swift, Sylvester, Thacker, Thulbourn and Walsh.

The Mayor addressed the meeting and requested Members consent to the filming of the meeting by a local news programme. Members agreed to the filming of the meeting.

1. Apologies for Absence

Apologies for absence were received from Councillor Fitzgerald.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the Meeting held on 16 April 2014

The minutes of the meeting held on 16 April 2014 were approved as a true and accurate record.

4. Mayor's Announcements

There were no announcements from the Mayor.

5. Chief Executive's Announcements

There were no announcements from the Chief Executive.

6. Report of the Returning Officer

Members received and noted a report which detailed the results of the Local and Hampton Parish Elections held on Thursday 22 May, 2014.

7. Political Groups and Group Officers 2014 / 2015

The membership of Political Groups and their Officers for the Municipal Year 2014 / 2015 were noted.

8. Motions Relevant to the Business of Annual Council

1(a). Councillor Harrington moved the following motion:

That this Council:

- i) Acknowledges the work undertaken by the Executive Leader;
- ii) Recognises however that there is a changing political landscape across the city council area which is reflected in the current political makeup of the Council; and
- iii) Agrees that the leadership of the council ought to reflect the cross party majority held collectively by the opposition groups, **therefore** the Council agrees to remove the existing Leader from office.

In moving his motion, Councillor Harrington stated that the leadership of the Council should be reflective of its cross party make up. The Council's assets needed to be protected and substantial savings could be made by the removal of a number of Cabinet Members, as was mirrored within Councillor Harrington's proposed scheme of Cabinet delegations. There was a grave situation to be faced going forward and action needed to be taken before any further decisions were made to the detriment of the city. The motion was seconded by Councillor Fletcher who reserved his right to speak later in the debate.

Members debated the motion and in summary raised points including:

- There had been a number of financial cuts, meaning it had been a difficult time of leadership, however too many Councillors now put party politics before anything else;
- The local leadership should reflect the recent changes in political makeup. To support the motion would be to move forward in the right direction;
- The Leader of the largest political party should form the Council's administration, even if that meant there only being one seat of overall control;
- The main issue was the Cabinet system style of decision making, the Committee System should be implemented;
- There should be strong opposition, but also engaged opposition. A removal of the current Leader would push out opposition members and would go no way towards a positive move forward;
- There was no other viable option in relation to the removal of the current Leader, however the citizens of Peterborough did deserve better;
- The citizens of Peterborough did not vote for a coalition. The Conservatives as the largest Group should manage the Council's finances with strong, but constructive opposition;
- Removal of the Leader would not be sensible at the current time. A vote of no confidence could be moved later down the line if this was deemed necessary;
- The citizens of Peterborough voted for the majority Conservative, that being democracy. This motion was in no way democratic;
- Although the Leader could not be agreed with on all issues, a cross party administration would be chaotic for the city;
- There had been very little mention of the situation with regards to the current Leader during the election canvassing period, that was in comparison to the issues raised around brown bins etc.;

- Any leadership campaign needed to be appropriately thought through and the most important people were the electorate. This was not what they had voted for at the recent elections; and
- There needed to be effective leadership in the city, leading to positive lasting change.

Councillor Fletcher exercised his right to speak and advised that the city electorate had made it plain in their voting that they wished for the administration of the Council to be changed. What message would Members send to the electorate if this motion was voted against?

Councillor Harrington summed up as mover of the motion and stated that back in 2006, when there were 42 Conservative Councillors in the Chamber, Council Tax had been held at a low point. This had proved to be a costly mistake, meaning the loss of vital services due to the Council Tax levels being unable to sustain them. The Conservatives had had a vision for the city, however it had been a severely misguided one.

Following debate, a recorded vote was requested and Members voted as follows:

Councillors For: Ash, Brown, Fletcher, Frances Fox, Harrington, Herdman, Knowles, Miners, Murphy, Nawaz, Okonkowski, Saltmarsh, Sanders and Sharp.

Councillors Against: Allen, Arculus, Casey, Cereste, Davidson, Day, Elsey, Fower, John Fox, Judy Fox, Harper, Hiller, Holdich, Iqbal, Lamb, Lane, Lee, Maqbool, Nadeem, North, Over, Peach, Rush, Sandford, Scott, Seaton, Serluca, Shaheed, Stokes, Swift, Thacker and Walsh.

Councillors Abstaining: Ferris, Forbes, Jamil, Johnson, Khan, Martin, Shabbir, Shearman, Sylvester and Thulbourn.

Following the vote (14 For, 32 Against and 10 Abstentions) the motion was **DEFEATED**.

As motion 1(a) had fallen, motion 1(b), as outlined within the agenda papers relating to the election of a new Leader, was not taken.

2. **Amended Motion from Councillor Harrington:**

The Mayor advised that there had been an amended motion submitted by Councillor Harrington to that which was detailed within the agenda papers. This being:

That this Council:

- i) Moves to a committee system of governance ~~within 6 months~~ **within 6 months at the earliest opportunity**; and
- ii) That there is a further report to Council within 6 months allocating seats to defined committees according to the political balance of the Council.

Members were requested to signify their consent to the amended motion being debated.

A vote was taken (15 For, 25 Against and 11 Abstaining) and it was **AGREED** that the amended motion be **not** permitted for debate.

3. Amended Motion from Councillor Holdich:

The Mayor advised that there had been an amended motion submitted by Councillor Holdich to that which was detailed within the agenda papers. This being:

That this Council agrees:

- i) To explore a change in its current governance arrangements;
- ii) To set up a **cross party** working group to consider **all options available to ensure that Peterborough City Council is equipped both now and in the future to fully serve our community and report back on the options available (including the move to a committee system or continuation of the current arrangements with or without change)**;
- iii) To report back to Council within six months to review proposals for changes to the governance system; and
- iv) Subject to a resolution to adopt the proposals in the report, to set a timetable for implementation of these proposals.

Members were requested to signify their consent to the amended motion being debated.

A vote was taken (40 For, 1 Against and 4 Abstaining) and it was **AGREED** that the amended motion be permitted for debate.

In introducing his motion, Councillor Holdich stated that it was similar to the one submitted by Councillor Harrington and it was hoped that it would garner cross party involvement. To move to a Committee system straight away would be costly and further exploration needed to be undertaken in order to identify all options and how best to proceed. This was seconded by Councillor Thulbourn who reserved his right to speak.

Members debated the motion and in summary raised points including:

- A concession was to agree to look at the implementation of a Committee system going forward, the Cabinet and Scrutiny model was by no means perfect;
- The new Councillors needed to be given the opportunity to see how the Committee system worked;
- Support was forthcoming, however there was a danger that delaying implementation would lead to no implementation in the long term;
- There were a number of successful councils operating under the Committee system and these should be researched;
- The review needed to be undertaken prior to the 2015 elections;
- The Committee System would allow for Councillors to better air their views on important issues;
- A move to the Committee System was sensible in line with the proportionality changes;

- The Cross Party Working Group should explore all avenues as when implemented, the system would be in place for five years;
- The Committee System had been previously implemented up until 2002 and had been extremely successful, with all main decisions being made by Full Council; and
- The public should be involved in any proposals going forward.

Councillor Thulbourn exercised his right to speak and stated that it needed to be ensured that the right method of governance was implemented going forward for the city of Peterborough, ensuring adequate connection with both Councillors and residents.

Councillor Holdich summed up as mover of the motion and stated that, should the motion be agreed, he would proceed to contact Group Leaders as soon as practicable for nominations for the Cross Party Working Group. The best option for the city of Peterborough was to undertake extensive and proper exploration into the options available.

Following debate, a vote was taken (unanimous) and the motion was **CARRIED**.

9. Appointment of the Executive and Leader's Scheme of Delegations

Councillor Cereste addressed the meeting and moved the recommendations as detailed within the report and presented his Scheme of Delegations advising that he would be retaining responsibility for 'Growth, Strategic Planning, Housing, Economic Development and Business Engagement'. Councillor Cereste further named his Cabinet Members and advisors and their responsibilities and key areas to be addressed, these included:

- i. Councillor John Holdich, Deputy Leader and Cabinet Member for Education, Skills and University;
- ii. Councillor Gavin Elsey, Cabinet Member for Street Scene, Waste Management and Communications;
- iii. Councillor Sheila Scott, Cabinet Member for Children's Services;
- iv. Councillor Wayne Fitzgerald, Cabinet Member for Adult Social Care;
- v. Councillor David Seaton, Cabinet Member for Resources;
- vi. Councillor Peter Hiller, Cabinet Member for Planning and Housing Services;
- vii. Councillor Nigel North, Cabinet Member for Communities and Environment Capital;
- viii. Councillor Lucia Serluca, Cabinet Member for City Centre Management, Culture and Tourism;
- ix. Councillor Diane Lamb, Cabinet Advisor for Health; and
- x. Councillor Graham Casey, Cabinet Advisor to the Cabinet Member for City Centre Management, Culture & Tourism (Culture & Recreation)

Councillor Cereste further advised that a cross party team would be created in order to look at the budget proposals going forward.

Councillor Holdich seconded the recommendations and reserved his right to speak.

The Mayor invited Group Leaders in turn to comment on Councillor Cereste's proposals.

Councillor Khan addressed the meeting and commented that more investment was needed in the city and development at the North Westgate site should be progressed as a priority.

Councillor Harrington addressed the meeting and stated that it could not be denied that the Leader had tried to do good things for the city, however the Council was in crisis. Further reductions in services could not be avoided; assets would be sold off going forward; there had been an inordinate amount of money spent on a number of schemes that would never get off the ground and the Joint Venture Scheme was a risky venture. It was hoped that opposition Leaders would be fully engaged in the budget proposals going forward.

Councillor Sandford addressed the meeting and stated that in future, it would be of beneficial for the Scheme of Delegation to be made available to Members prior to the meeting, rather than tabling the document on the evening of Annual Council. With regards to the Cabinet makeup, the Council was in a state of financial hardship and the Leader's Cabinet was still deemed too large for the city, this was not a positive message to be sending to the electorate. Councillor Sandford further advised that he was not in agreement with a number of the grandiose investment schemes which had been agreed over the year, investment should be put back into the basic services in the first instance. It was also advised that the proposals for a cross party group to look at the budget was welcomed.

Councillor John Fox addressed the meeting and advised that he did not have any major concerns bar the issue regarding solar panels.

Members were given an opportunity to comment and the following key points were raised:

- It was reiterated that there had been a lack of regeneration in the North Westgate area and this needed to be addressed;
- A number of decisions made had been overtly negatively viewed by residents including, children's centre closures, the removal of brown bins and the solar farm proposals;
- The proposals for a cross party group to look at the budget was welcomed;
- The number of Cabinet Members was too high, this needed to be re-addressed;
- Could the Cabinet Members run a number of small open evenings?; and
- There had been budget issues faced for the past five years and Members would need to be committed to cross party working with regards to the budget as difficult decisions would still need to be made.

Councillor Holdich addressed the meeting and stated that the cross party team would be set up as soon as practicable.

Councillor Cereste summed up and stated that there had been no cuts due to debts, but rather due to shortfalls in funding. He advised that the suggestion to re-instate Cabinet Member open evening type events would be explored, however in the past Councillors attendance had been poor. He further advised that there would need to be effective cross party working going forward in order to address the £19m deficit faced by the Council and to address the point about North Westgate, work would be underway prior to Christmas 2014.

Following debate it was **AGREED**:

- a) To note the decision taken at Annual Council, held on 16 May 2011 to elect Councillor Marco Cereste as Leader of the Council for a period of four years; and
- b) To note the appointment of the Cabinet and the Leader's Scheme of Delegation to Cabinet Members.

10. Committee Structures, Delegations and Allocations

Councillor Cereste addressed the meeting and moved the recommendations as detailed within the report along with a proposed amendment to remove the Planning Review Committee from the political balance seat allocations to allow for cross party representation, the revised figures for which were tabled for Members. This was seconded by Councillor Holdich.

The Mayor addressed the meeting and advised that the proposal to remove the Planning Review Committee from the political balance requirements, was required, by law to be unanimously agreed by all Members when put to the vote. It was therefore advised that a separate vote would be taken on that part of the motion in the first instance.

Following a vote (unanimous), it was **AGREED** that:

The Planning Review Committee be removed from the political balance requirements.

Following a vote on the remainder of the motion (unanimous), it was **AGREED** that:

- (a) The Council agrees the Committee structure:
 - (i) as set out at paragraph 3.1 of the report (*as amended to remove the Planning Review Committee from the political balance calculations*); and
 - (ii) that the terms of reference of those committees and the Council's Scheme of Delegations remain as currently set out in the constitution, subject to any changes tabled at the meeting.
- (b) Council notes the programme of meeting schedules as attached to the report.
- (c) The allocation of seats on Committees of the Council, in accordance with political balance requirements as set out paragraphs 4.3 to 4.10 of the report, be agreed; and
- (d) The allocation of seats on Committees and other bodies to be appointed to by the Council as set out paragraphs 5.1 to 5.5 of the report be agreed.

11. Appointments to Committees and Other Bodies

Councillor Cereste addressed the meeting and moved the recommendations as detailed within the report along with the tabled Committee Membership document and an amendment to reflect Councillor Peach being nominated to the Fire Authority rather than Councillor Over. This was seconded by Councillor Holdich.

Councillor Sandford requested that the Cross Party Working Group being implemented to explore the Committee System should also look at cross party Chairmanships.

Following a vote (unanimous), it was **AGREED**:

- (a) Where the allocation to different political groups of the seats on committees and other bodies has been determined under Agenda Item 10, that Council:
 - (i) make appointments to those Committees so as to give effect to the wishes about who is to be appointed to the seats on each Committee which are allocated to a particular political group as are expressed by that group;
 - (ii) in respect of any appointments to be made other than under (a) above, appoints the Monitoring Officer as Proper Officer to be authorised to carry out the wishes of the Leaders of the Political Groups in allocating members to each Committee; and
 - (iii) appoints those Members with effect from the date at which the Proper Officer is advised of the names of such Members;
- (b) The Chair and Vice-Chair of each of the Council's Committees be appointed; and
- (c) The membership of elected and non-elected members of committees, as described at paragraphs 4.1 to 4.4, be confirmed.

The Mayor
7.45pm – 10.00pm

COUNCIL	AGENDA ITEM No. 4
23 JULY 2014	PUBLIC REPORT

MAYOR'S ANNOUNCEMENTS

1. PURPOSE OF REPORT: FOR INFORMATION

- 1.1 This report is a brief summary of the Mayor's activities on the Council's behalf during the last meetings cycle, together with relevant matters for information.
(Events marked with * denotes events attended by the Deputy Mayor on the Mayor's behalf).

2. ACTIVITIES AND INFORMATION – From 16 June to 20 July 2014

Attending	Event	Venue
Mayor, Mayoress, Deputy Mayor, Deputy Mayoress, Mayor Elect and consort	Preparation for Annual Council meeting and Mayor Making	The Parlour and Council Chamber
Mayor	Annual Council preparation	The Parlour
Mayor, Mayoress, Deputy Mayor, Deputy Mayoress, Mayor Elect and Mayoress Elect	Annual Council	Council Chamber and Reception Room
Mayor	Meeting regarding Installation Service	The Parlour
Mayor	Proclamation of Midsummer Fair	Midsummer Common
Mayor	Fitzwilliam (Milton) Hunt Puppy Show	Milton Park
Mayor and Mayoress	Peterborough Heritage Festival Reception	Peterborough Museum
Mayor and Mayoress	Official opening of Oak Furniture Land store	Oak Furniture Land
Mayor and Mayoress	Open the Peterborough Heritage Festival	Cathedral Square, Peterborough
Deputy Mayor and Deputy Mayoress	Mayor of Stamford Civic Parade and Service	All Saints Church
Mayor and Mayoress	The Cambridgeshire Regiment Reunion and Commemoration of the Centenary WW1	Ely Cathedral
Deputy Mayor and Deputy Mayoress	Music for a Summer Afternoon	St Andrews Church
Mayor and Mayoress	Run through for Fly a Flag for Armed Forces Day	Council Chamber
Mayor and Mayoress Deputy Mayor and Deputy Mayoress	Fly a Flag for Armed Forces Day	Steps of Town Hall
Mayor and Mayoress	Visit by Chinese Yichang delegation	The Parlour
Mayor and Mayoress	Charity Committee meeting	The Parlour
Mayor	Meeting with the Governance Director	Governance Directors Office
Mayor	Meet with a member of the Citizenship Team - run through for the ceremony	The Parlour
Mayor	Citizenship Ceremony	Council Chamber
Mayor, Mayoress and Deputy Mayor	Media discussion	The Parlour

Attending	Event	Venue
Mayor and Mayoress	Duke of Edinburgh Awards Presentation Evening	Reception Room, Town Hall
Mayor and Mayoress	Service of Celebration for All Saints' Church of England Primary School	All Saints' C of E Primary School
Mayor and Mayoress	Dinner to mark the end of the term in office of the Mayor of Cambridge	Corpus Christi College
Deputy Mayor and Deputy Mayoress	The Peterborough School Summer Exhibition	The Peterborough School
Mayor and Mayoress	Concert to celebrate Armed Forces Day	Parkway Club
Mayor and Mayoress	Armed Forces Day	Cathedral Square
Deputy Mayor and Deputy Mayoress	Official Opening of Summer Fete at Peterborough Regional College	Peterborough Regional College
Mayor and Mayoress	Maxey Summer Fayre	The Village Green
Mayor and Mayoress	Cocktail Party for Armed Forces Day	Reception Room
Deputy Mayor and Deputy Mayoress	12th Annual National Service Day	Parade in Central Park / Wreath Laying and Service - All Saints Church
Mayor and Mayoress	Peterborough Crematorium Annual Memorial Service	Peterborough Crematorium
Mayor and Mayoress	Dinner for Past Mayor and retiring Councillors	Reception Room
Mayor and Mayoress	Peterborough Eco Education Awards 2014	Nene Park Academy
Mayor and Mayoress	Tesco Peterborough Extra Community Room Opening day	Hampton
Mayor and Mayoress	Independence Day Reception	RAF Alconbury
Mayor and Mayoress	Woodston Primary School Summer Fete	Woodston Primary School
Mayor, Mayoress, Deputy Mayor and Deputy Mayor	Mayor's Installation followed by afternoon tea	Peterborough Cathedral Reception Room
Mayor	Middleton School Fete	Middleton Primary
Deputy Mayor and Deputy Mayoress	Peterborough Women's Aid Annual General Meeting	Fleet Complex
Mayor and Mayoress	Opening of Lakeside, Ferry Meadows and visit to Sailability	Lakeside Watersports
Mayor and Mayoress	Formal visit to view World War 1 display	Unit 11, Peterborough Garden Park
Mayor and Mayoress	Rededication Service	Nene Park Academy
Mayor and Mayoress	Peterborough Lions Business meeting to induct the Mayor as an honorary Lion	Ebenezeers
Mayor, Mayoress, Deputy Mayor and Deputy Mayor	Mayor's Open Day	Reception Room and Foyer, Town Hall
Mayor and Mayoress	Kids Country Food and Farming Day	East of England Showground
Mayor and Mayoress	John Clare Festival, Helpston	St. Botolph's Church
Mayor	Meeting regarding the Rotary International Camp	The Parlour
Mayor and Mayoress	Summer Reception of the Royal Society of St George Huntingdon Branch	The Claret Centre
Mayor and Mayoress	High Sherriff of Cambridgeshire's Charity Walk for Macmillan Cancer Support and her own charities	Becketts Chapel
Mayor and Mayoress	Peterborough Big Sing	KingsGate Community Church
Mayor and Mayoress	Visit to John Clare Primary School	John Clare Primary School

Attending	Event	Venue
Mayor and Mayoress	Visit from Gold Apple School Shanghai and Jack Hunt School Peterborough	The Parlour, Council Chamber and Reception Room
Mayor and Mayoress	Thomas Deacon Academy Duke of Edinburgh Evening	Thomas Deacon Academy
Mayor and Mayoress	Photocall launch for Alzheimer's Society Memory Walk	Ferry Meadows
Mayor and Mayoress	Soroptimists International Leverkusen visit to SI Peterborough	The Parlour
Mayor and Mayoress	Visit students who assisted at the Mayor's Open Day and attend assembly	Ken Stimpson Community School
Deputy Mayor	Woodston Youth Club Entrepreneurs Presentation Evening	Woodston/Belsize Community Centre
Mayor and Mayoress	Chairman of Fenland District Council - Civic Reception	Sir Harry Smith Community College
Mayor and Mayoress	Tesco Distribution Centre Summer Fete	Tesco DC

3. BACK GROUND DOCUMENTS (IN ACCORDANCE WITH THE ACCESS TO INFORMATION ACT 1985)

None.

4. DIRECTOR RESPONSIBLE

Director of Governance.

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COUNCIL	AGENDA ITEM No. 9(a)
23 JULY 2014	PUBLIC REPORT

EXECUTIVE AND COMMITTEE RECOMMENDATIONS TO COUNCIL

(a) CABINET RECOMMENDATION – COMMUNITY INFRASTRUCTURE LEVY

Cabinet at its meeting of 30 June 2014, received a report which enabled it to consider and recommend to Council the Peterborough Draft Charging Schedule. If approved by Council, the Schedule would be published for public consultation and then submitted to the Secretary of State who would appoint an Independent Planning Inspector to carry out an Examination in Public.

The report made a further recommendation to Cabinet to approve the Infrastructure Delivery Schedule Update 2014 *(as detailed within the record of executive decisions report at agenda item 10)*.

IT IS RECOMMENDED that Council approves the Peterborough Community Infrastructure (CIL) Draft Charging Schedule for the purposes of public consultation and submission of the Draft Charging Schedule and associated material to the Planning Inspectorate for Examination in Public.

(The original Cabinet report and appendices follow this report).

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ITEM 9(a) – FOR INFORMATION

CABINET	AGENDA ITEM No.
30 JUNE 2014	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Marco Cereste - Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement	
Contact Officer(s):	Simon Machen Director of Growth and Regeneration Gemma Wildman Principal Planning Officer	Tel. 863824

PETERBOROUGH COMMUNITY INFRASTRUCTURE LEVY (CIL) – DRAFT CHARGING SCHEDULE

RECOMMENDATIONS	
FROM : Director of Growth and Regeneration	Deadline date : Full Council 23 July 2014
<p>1. That Cabinet recommends the Peterborough Community Infrastructure levy (CIL) Draft Charging Schedule to Council for approval for the purposes of public consultation and Submission of Draft Charging Schedule and associated material to Planning Inspectorate for Examination in Public; and</p> <p>2. That Cabinet approve the Infrastructure Delivery Schedule Update 2014 (See Appendix E).</p>	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following approval of a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS) on 24 September 2012, and following six weeks public consultation and further evidence gathering including viability assessment since that date.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to enable Cabinet to consider and recommend to Council the Peterborough Draft Charging Schedule. If it is approved by Council, it will be published for public consultation and then submitted to the Secretary of State who will appoint an independent Planning Inspector to carry out an Examination in Public.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1, 'to take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services'.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	YES	If Yes, date for relevant Cabinet Meeting	30 June 2014
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Date for relevant Council meeting	Full Council 23 July 2014	Date for submission to Government Dept (please specify which Government Dept)	N/A
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4. BACKGROUND

4.1 A number of changes to the way local authorities can collect and distribute developer contributions have and are being implemented. These changes are being driven by legislative and statutory changes at the national level. In order to continue to secure 'developer contributions' for investment in infrastructure considered critical to accommodate our growth targets and maintain sustainable communities, we need to make changes to our existing systems and processes. The main thrust of these changes is through the adoption of a Community Infrastructure Levy (CIL) which, once consulted upon, approved through independent examination and adopted by Council, will replace the current Peterborough Planning Obligations Implementation Scheme (POIS). This report reminds Cabinet about CIL, how it will work, and the timetable for adopting and implementing a CIL before April 2015.

COMMUNITY INFRASTRUCTURE LEVY (CIL)

4.2 Before a CIL Charging Schedule is adopted it must go through two formal rounds of consultation, followed by an independent examination. The first round, known as the Preliminary Draft Charging Schedule stage, occurred in Nov/Dec 2012.

4.4 The second round, known as the Draft Charging Schedule stage, is proposed for August/September 2014 and precedes an independent examination later in 2014. A successful examination would allow adoption of the Peterborough CIL Charging Schedule by council by April 2015.

4.5 April 2015 is a key date. From April 2015 it will be unlawful for Local Authorities to pool contributions from more than 5 planning obligations secured via Section 106 agreements for funding any single infrastructure project. In effect, this makes our current S106/POIS¹ tariff-based system unlawful from April 2015 and a CIL will become the only available mechanism to pool funds. At the same time as the CIL is adopted in Peterborough, it will be necessary to revoke the existing POIS Supplementary Planning Document.

4.6 The CIL Proposed Draft Charging Schedule (Appendix A) sets out '£ rates per sq m' for different development types that are liable to pay the charge (usually all new dwellings and most new floorspace over 100m² for buildings which are normally occupied by persons).

4.7 The setting of a CIL charge for development must be based on viability grounds and backed up by the demonstration of an infrastructure funding gap. A supporting viability study has been commissioned which forms the basis of the proposed CIL Charging Schedule rates. CIL cannot be used as a policy mechanism i.e. you cannot: set artificially low rates in order to attract development, or too high rates if this would make the majority or specific types of development unviable.

4.8 The Community Infrastructure Levy Regulation 2010 (as amended) ("the Regulations"), which have been subject to regular amendments over the past few years, now allow for differential rates to be set by geographical zone, by land use, by scale of development or a combination of those approaches (this has not always been the case). Zero rates can also be set where viability evidence shows that development across the area would be unviable because of the imposition of a charge. The proposed Draft Charging Schedule utilises these options. (See Appendix A)

4.9 Officers recommend that Discretionary Charitable Relief and Discretionary Relief for Discount Market Sale developments is not included in our policy, because of the complexity and infrequent likely use of such relief.

¹ POIS – Peterborough Planning Obligations Implementation Scheme SPD (Feb 2010)

4.10 Officers do recommend that the Council includes the use of Discretionary Relief for Exceptional Circumstances and a local Instalments Policy to help developers spread the cost of CIL liability payment.

4.11 These recommendations on various optional 'Reliefs' are not unusual or controversial, and are in line with other councils.

4.13 A number of points raised in the first consultation have been considered, leading to recommended changes to the proposed Draft Charging Schedule. The significant recommended changes are:-

- A charge rate of £NIL/sq m for all business development (B1 to B8 uses).

The PDCS rate (previously) was £10/sq m.

The £10/sq m charge was a cause of concern by a number of representors during the first round of consultation. It also tended to contradict the published viability evidence. This matter has now been addressed and the rate is comparable with neighbouring authorities (see Appendix C).

- Introduction of three geographical charge zones across Peterborough for residential development. The zones reflect the broadly different residential values across Peterborough, and the significant S106 obligations that will remain for development of strategic sites. It is recommended in total that there should be three different charge rate zones. These are mapped in Appendix B.

The lack of property value distinction across Peterborough, notably from east to west, was raised and queried by a number of people at the previous round of consultation. The proposed charging zones are more sensitive and reflective of the differences. This is considered to be fair and evidence based.

- The CIL charge for a typical single three bed house in a small-scale development scheme is likely to range from £12,600 in the higher charge area to £9,000 in the lower charge area. Recognising the increased S106 obligations for developments involving 15 or more dwellings (e.g. affordable homes provision), the rate for a three bed house on a site of 15 or more dwellings is likely to range from £6,300 to £1,350 dependent on location.

This compares with the current city-wide POIS charge of £6,000 for a three bed house.

- The proposed retail charge rates are generally lower than those set out at the earlier stage of consultation (PDCS stage), reflecting latest evidence and best practice nationally.

The rates proposed in the earlier version were amongst the highest nationally, provoking many related comments. The new rates and types are considered to be more reasonable and appropriate in all respects.

- The spending of CIL funds

This topic engaged many persons, even though it is not a matter for the CIL examination process nor adoption. The matter is addressed below.

4.14 Over the past year, work to fully understand the cost implications of planning policy developer contributions and the likely interaction between S106 planning obligations and CIL has been undertaken. This work was passed to consultants Peter Brett Associates who have re-run the CIL Development Viability Study to determine proposed CIL charge rates for the Draft Charging Schedule. The refreshed CIL Development Viability Study can be viewed at Appendix F.

DEVELOPER CONTRIBUTIONS

- 4.15 The Council expects new development to contribute to site related and other infrastructure needs through a combination of the following mechanisms:-
- Planning **conditions** (Site/development related)
 - Planning **obligations** to secure developer contributions or works in kind e.g. s106 Agreements or Unilateral Undertakings (site/development related)
 - Peterborough Community Infrastructure Levy (**CIL**) (Strategic, local and city wide requirements)
- 4.16 Although CIL will replace some elements of S106 planning obligations, S106 obligations will still play an important on-going site specific role. They will be used for site-specific infrastructure or mitigation required to make a development acceptable in planning terms. The principle is that all eligible developments must pay a CIL as well as any site specific requirement to be secured through S106 obligations.
- 4.17 For clarity and transparency, it is important to identify the relationship between S106 obligations and CIL; and to make clear the circumstances when each will or will not be used. This inevitably involves making choices about which infrastructure types or projects will be funded from S106 obligations or CIL.
- 4.18 The relationship between S106 and CIL will be set out clearly in the Draft Developer Contributions Supplementary Planning Document (SPD) which is currently under preparation. This SPD will be presented to Cabinet on 28 July 2014. If the SPD is approved by Cabinet it will be made available in draft for consultation alongside the CIL Draft Charging Schedule, though it will not be required to pass through an examination. A summary of this relationship is set out in Appendix H.
- 4.19 The SPD will be presented to Planning and Environment Protection Committee on Thursday 8 July and Sustainable Growth and Environment Capital Scrutiny Committee on 17 July 2014.

DRAFT CIL REGULATION 123 LIST

- 4.20 The Regulation 123 List lists all known infrastructure projects or types that could be funded in whole or in part by CIL funds. The relationship between S106 and CIL is also influential in shaping the CIL Regulation 123 List, a list that needs to be made available alongside the CIL Draft Charging Schedule at the time of examination. (See Appendix D).

The most important point to note about the Regulation 123 list is that if an infrastructure type or project is listed as being fundable via CIL, then the Council is not able to fund such infrastructure type or project via S106.

VIABILITY AND THE 'FUNDING GAP'

- 4.21 In order for Charging Authorities (Peterborough City Council in this instance) to justify setting a CIL, they need to demonstrate that CIL rates will not make overall development of the area unviable (which is the purpose of the CIL Development Viability Study); but also demonstrate that they have an '*infrastructure funding gap*'.
- 4.22 The '*infrastructure funding gap*' is calculated by taking into account what infrastructure will be funded by S106 obligations, other available internal and external funding sources and forecast CIL revenue. In simple terms, forecast CIL revenue must not be greater than the costed items in the CIL Regulation 123 List.

Forecast CIL Revenue 2015-2031

- 4.23 Forecast CIL revenue is approximately **£29 million** over the sixteen year period to 2031 (i.e. £1.8 million per annum on average, but this will vary considerably year to year). This figure

assumes that the Great Haddon proposal has permission before the CIL Charging Schedule is adopted. (following the resolution to grant planning permission by Planning Committee).

- 4.24 This forecast income is notably less than the £67 million forecast at the previous draft PDCS stage. This is due to the combined effect of a) generally lower charge rates, b) reducing the charge rate to NIL for commercial development (each on viability study evidence) and c) significant new planning applications having progressed since the PDCS stage, such as the Great Haddon employment area and the Great Haddon urban extension, for which S106 contributions of £3.3million and £75million have been secured and negotiated respectively (and hence will not pay CIL).

SPENDING CIL RECEIPTS

- 4.25 The updated CIL Regulations in 2013 were helpful in this respect, in that they specified the previously vague 'minimum meaningful proportion' to be passed to Parish Councils. This is highlighted below.

CIL Revenue split	Proportion of total where development has taken place
'Meaningful Proportion' for neighbourhoods	15% capped at £100 per existing council tax dwelling
Neighbourhoods with an adopted Neighbourhood Plan	25% uncapped

- 4.26 For communities without a Parish Council the 15% incentive still remains. In such areas (usually wards in urban areas) the charging authority will retain the Levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. The governance of how this will be achieved has yet to be determined, but is not a matter subject to CIL examination, and will be subject to a future report

Proposed CIL funding split.

- 4.27 For the remaining CIL revenue it is proposed that the funds will be managed by the charging authority (Peterborough City Council), along the same lines as POIS contributions are currently managed, with the broad funding split as indicated below.

Remaining CIL Revenue will be provisionally split across the themes as indicated below Precise governance arrangements yet to be agreed.	
Transport	30%
Education & Skills	40%
Community Infrastructure	10%
Utilities Services	5%
Emergency Services / Health & Well Being	5%
Environmental Sustainability	10%
Total	100%

- 4.28 To help explain this information, a user-friendly guide titled: 'How CIL may work in Peterborough: A Simple Guide' will also be published.

Infrastructure Delivery Schedule

- 4.29 The Peterborough Infrastructure Delivery Schedule (IDS) (see Appendix E) identifies infrastructure projects that will support the sustainable growth of the city to 2026 and beyond. The projects are grouped into the following themes:

- Community Infrastructure
- Transport

- Environmental Sustainability
- Health and wellbeing
- Skills and Education
- Emergency Services
- Utilities and Services

4.30 Cabinet approved an earlier version of IDS in September 2012 alongside the PDCS. The IDS has been updated to reflect the latest known position and to help inform the Draft Charging Schedule.

4.31 The projects have been provided by Council departments and partners, and predominantly reflect projects already agreed and evidenced through other plans and strategies, such as the Peterborough Core Strategy and Local Transport Plan 3. Importantly, the projects are considered to have at least a reasonable prospect of being delivered and avoids a 'wish list' of projects that are unlikely to be ever delivered.

4.32 The Infrastructure Delivery Schedule is a 'work in progress' that is continually being reviewed and updated to reflect our latest growth programme. This list is correct at 2 June 2014. It should not be seen as a fixed or exhaustive list, nor should it be read to mean every project will definitely be delivered or delivered at a specific time. Projects can and will change at any time, and the Schedule will be updated accordingly. It will be fully refreshed and agreed by Cabinet annually, each summer, and be made available on the Council's website.

5. CONSULTATION

5.1 The Regulations require a minimum of four weeks public consultation on the proposed Draft Charging Schedule. Subject to approval at Full Council (in July 2014), the CIL Draft Charging Schedule will be available for public consultation in August/September 2014. Normally, only developers / agents respond to such consultation, rather than the general public. However, anybody is free to make comments should they wish.

5.2 The CIL Draft Charging Schedule and supporting documentation (particularly the Infrastructure Delivery Schedule) have been prepared by working closely with infrastructure providers across the board. This documentation has been considered by a wide range of consultees.

5.3 We anticipate that there will be some level of public interest in the proposals being set out in the Peterborough CIL Draft Charging Schedule, particularly from landowners, businesses and developers. Comments (or representations as they are known) received during the consultation period (July-August 2014) will be collated and reported in a Consultation Statement. All representations will be considered by a Planning Inspector alongside the other CIL documentation required to be submitted October for independent examination.

5.4 Whilst we anticipate some debate, particularly around the technical details relating to our viability calculations / assumptions and hence the level at which we set charges for different types of development, we are confident that we have robust evidence to underpin our proposals. The important message to get across is that the sum total of the costs being placed on developers and landowners through this mechanism is not dissimilar to the current operational procedures in place in Peterborough with the combination of POIS and S106 obligations being used in tandem. In short, CIL will simply replace POIS.

6. REASONS FOR RECOMMENDATIONS

6.1 Government has introduced changes to the way developer contributions can be collected and spent. Charging Authorities have the option of adopting a CIL. From April 2015, the use of our existing methodology for collecting and pooling developer contributions (POIS) will become unlawful and so unless a CIL is adopted, the collection and use of developer contributions will be severely limited from that date. Adopting a CIL will introduce a

recognised system that is used by other authorities; provide a fairer system for ensuring developer contributions are made by small and large developments alike in a proportionate manner; and a simpler more direct way of directly passing back contributions to the communities within which the development has taken place.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The option to not adopt a CIL has been considered and rejected. This option may have been acceptable if, for example, Peterborough was only expecting very minimal growth over the plan period and the majority of that growth could be dealt with through the limited pooling of contributions for strategic infrastructure. This would have made the adoption of a CIL superfluous. Since Peterborough will continue to deliver a significant number of homes and jobs over the plan period this option was rejected.
- 7.2 The option of alternative Levy rates have been rejected, as the ones proposed are based on robust evidence.

8. IMPLICATIONS

- 9.1 **Legal Implications** – The proposed documentation have been prepared and will be consulted on in accordance with the regulations and statutory guidance issued by national government. There are legal implications relating to the implementation, monitoring and enforcement of the CIL once adopted and implemented.
- 9.2 **Financial Implications** – There are financial implications in terms of the way we collect, administer and spend CIL receipts, as set out in this report.
- 9.3 **Human Resources** – Can be delivered within existing resources but will potentially require additional training and changes to existing work practises.
- 9.4 **Equality & Diversity** – The changes will have a positive impact on our customers and help to ensure continued investment in infrastructure considered critical to maintaining and creating sustainable communities.

9. NEXT STEPS

- **23 July 2014** - Full Council asked to approve CIL DCS for the purpose of public consultation and examination.
- **August / Sept 2014** – 4 weeks public consultation.
- **October 2014** - submit CIL Draft Charging Schedule
- **December 2014 (estimate)** – Independent Examination
- **March/April 2015** - Full Council Meeting for formal Adoption once any amendments proposed by the examiner have been addressed.

10. APPENDICES

- Appendix A: Proposed Draft Charging Schedule
- Appendix B: Map showing Proposed Residential Development Charging Zones.
- Appendix C: Draft Charging Schedule Supporting Document
- Appendix D: Draft Regulation 123 List
- Appendix E: Peterborough Infrastructure Delivery Schedule (IDS) June 2014
- Appendix F: Peterborough City Council CIL viability assessment April 2014
- Appendix G: Neighbouring Authorities – CIL Charges.
- Appendix H: The Proposed Relationship between S106 and CIL in Peterborough

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**APPENDIX A
PETERBOROUGH CIL - PROPOSED DRAFT CHARGING SCHEDULE**



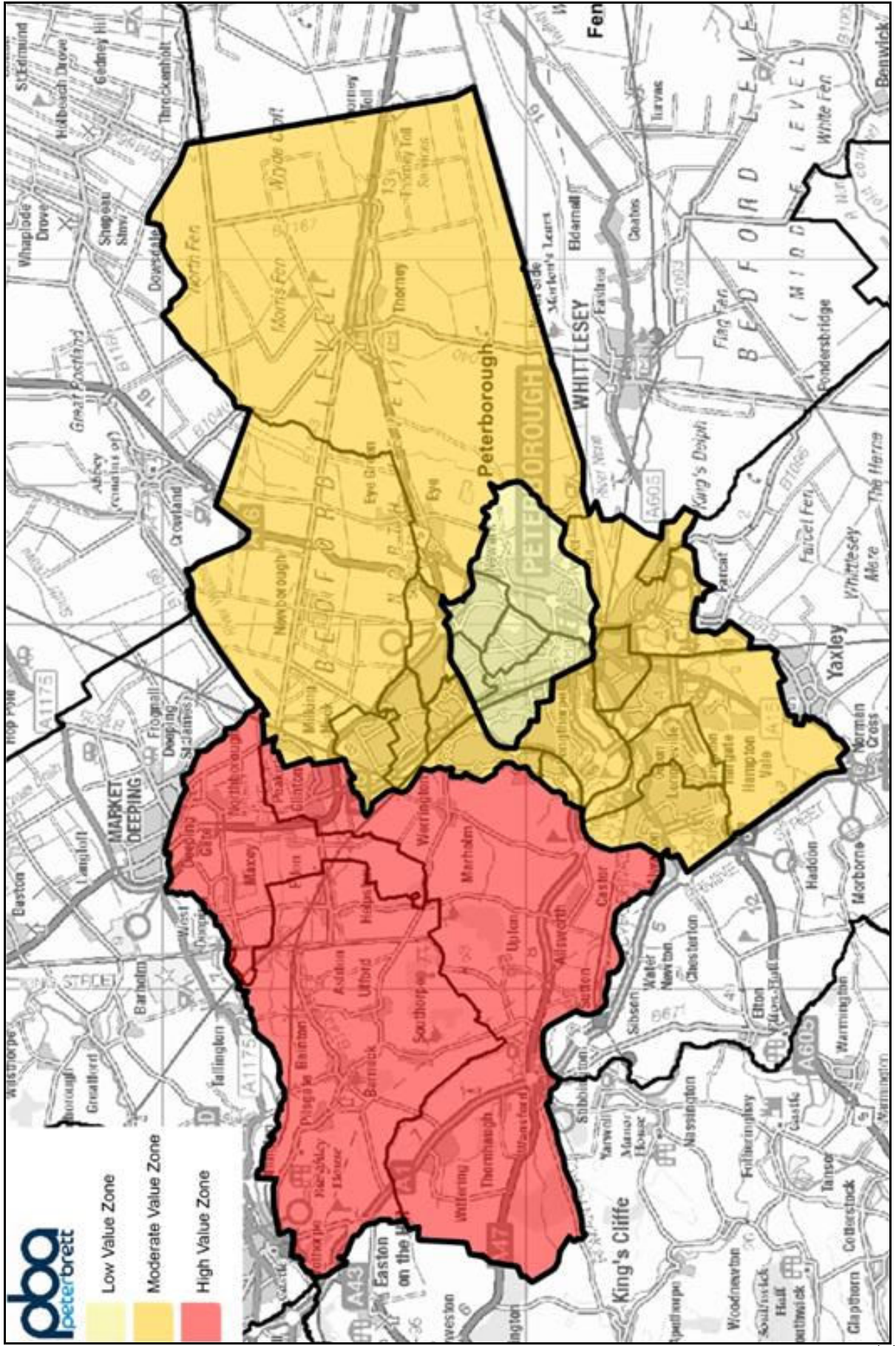
CIL Proposed Draft Charging Schedule

Development Type	Charging Zone		
	High	Medium	Low
Market Housing on sites of less than 15 units	£140	£120	£100
Market Housing on sites of 15 or more units	£70	£45	£15
Apartments on sites of less than 15 units	£70	£45	£15
Strategic Sites 500+ dwellings	£15	£15	£15
Supermarket	£150		
Retail Warehouse	£70		
Neighbourhood Convenience	£15		
All other development	£0		
All charges are £ per msq.			

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APPENDIX B

PETERBOROUGH CIL - PROPOSED DRAFT RESIDENTIAL CHARGING ZONES



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Peterborough Community Infrastructure Levy

Draft Charging Schedule

Supporting Document

Recommended to Cabinet 30 June 2014

August 2014

Peterborough City Council

Stuart House East Wing
St John's Street
Peterborough
PE1 5DD

Telephone: (01733) 863872

www.peterborough.gov.uk

Important Note:

This document has been produced to help assist the reader as to how CIL is intended to be introduced in Peterborough.

However, the legal mechanism for introducing CIL is set out in extensive government regulations and nothing in this document supersedes such regulations, Any unintended error in this document, compared with the latest regulations, will not be enforced or implemented instead the regulations will prevail.

Forward

Community Infrastructure Levy (CIL) is a mechanism introduced by government that allows local authorities to charge a levy on most new developments to fund infrastructure improvements in their area.

Peterborough City Council is preparing CIL and are consulting on the [Draft Charging Schedule \(DCS\)](#) which sets out what charge will be placed on different types of development. This document sets out supporting information for the DCS and the process for CIL and how this will work alongside S106 planning obligations.

A simple guide to [How CIL will Work in Peterborough](#) has been produced and is available on the council's website.

How to Comment on the DCS

Once you have looked through the DCS, please send us your comments. Only comment on the DCS can be made. Please be aware that your comments will be published on the council's website together with your name and organisation name (where appropriate). You can send us your comments:

- By email at planningpolicy@peterborough.gov.uk preferably using the electronic response form on the Council's websites; or,
- Using a **response form** - If you do not have access to a computer, a paper form can be completed and sent to the Council. Copies of the response form are available from the Planning Policy team, the main libraries and at the city council's main office, Bayard Place Reception, Broadway, Peterborough.

Your views are important to us, and we recognise that the planning system is not always easy to understand and find your way around. We want to make sure that as many people as possible have an opportunity to have their say as the new CIL is prepared. You can contact us using one of the following methods:

- You can phone us on 01773 863872 (ask to speak to someone in the Planning Policy team); or,
- You can email us at planningpolicy@peterborough.gov.uk

Full details about CIL, all supporting documents and the consultation process can be viewed on the council's website at: [add web link]

Peterborough City Council has set a timetable to adopt CIL by April 2015. The table below outlines the key stages and timetable for adoption of CIL:

Table 1: CIL Timetable

Stage	Date
CIL Preliminary Draft Charging Schedule Consultation	1 November 2012 to 12 December 2013
Full Council approval to publish Draft Charging Schedule for consultation	23 July 2014
CIL Draft Charging Schedule Consultation	X August 2014 to X September 2014
Submission of Draft Charging Schedule to Planning Inspectorate for Examination in Public	October 2014
CIL Examination (estimate)	December 2014 / January 2015
Inspectors Report (estimate)	February 2015

Adoption (subject to Inspectors Report)	March 2015
Commencement of CIL	1 April 2015

Other Documents

The following supporting documents have also been published alongside the CIL Draft Charging Schedule and can be viewed on the council's website.

- Peterborough Draft Charging Schedule
- CIL Viability Study April 2014
- Peterborough Infrastructure Delivery Schedule (IDS) June 2014
- Regulation 123 list
- Regulation 16 Statement of Representations
- Preliminary Draft Charging Schedule Statement of Consultation

The council is also consulting on a [Draft Developer Contributions Supplementary Planning Document \(SPD\)](#) that sets out when CIL or S106 planning obligations will be used.

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Appendix B – Receipted Developer Contributions 2010 -2013

Appendix C– Summary of relationship between S106 and CIL

Appendix D – Draft Instalment Policy

1. Introduction

1.1 Background

- 1.1.1. This document sets out Peterborough City Council's progress to date with the introduction of a Community Infrastructure Levy (CIL) and has been produced in support of the [Peterborough Draft Charging Schedule](#), which is out for consultation.
- 1.1.2. The CIL regulations 2010¹ (as amended) and related guidance², provide direction for councils implementing the levy. Before a CIL charging schedule is adopted it must go through two formal rounds of consultation followed by an independent examination.
- 1.1.3. The first formal round of consultation, the Preliminary Draft Charging Schedule (PDCS), took place between 1st November 2012 and 12th December 2012. Representations were received from 24 respondents. A complete list of respondents, the full consultation responses and the council's response can be found in the background documents in the CIL pages of the council's website. These representations have provided the basis for the development of the council's CIL Draft Charging Schedule, which is now the subject of the second formal round of consultation.
- 1.1.4. The Draft Charging Schedule is set out in Chapter Four. The rest of this document provides background to the charging schedule, drawing on supporting evidence, and deals with a number of issues related to the governance and implementation of the levy.

¹ The Community Infrastructure Regulations 2010, Statutory Instruments 2010 No. 948, <http://www.legislation.gov.uk/uksi/2010/948/contents/made>

² DCLG, CIL Guidance, February 2014 http://www.planningportal.gov.uk/uploads/cil/cil_guidance_main.pdf

2. Context

2.1 What is CIL?

- 2.2.1 The Community Infrastructure Levy is a charge that local authorities can levy on most new development (see para 2.2) in their area to fund infrastructure improvements. It was first introduced in April 2010, and is the government's preferred mechanism for securing developer contributions to help fund the infrastructure to support growth. The statutory provisions provide for an end to tariff based approaches to planning obligations (Section 106 Agreements) by 6th April 2015. In Peterborough, the council currently operates such a tariff based scheme, known as the Peterborough Planning Obligations Scheme (POIS). The CIL Regulations have been amended four times, in 2011³, 2012⁴, 2013⁵, and 2014⁶ since the 2010 regulations were made.
- 2.2.2 The CIL will be run in parallel with, and partly replace, the existing process of planning obligations known as 'Section 106' agreements. Although S106 planning obligations will continue to be used alongside CIL to provide on-site infrastructure requirements and affordable housing, following the adoption of the CIL, the majority of planning application proposals for CIL liable development will no longer use S106 obligations. CIL breaks the direct link between developer funding and the development site. CIL funds once collected will be spent on an approved list of infrastructure to support development in the area. The approved list of infrastructure is often referred to as the 'Reg 123 List'.
- 2.2.3 Funds raised through the CIL will be used to help pay for a wide range of infrastructure required to support the needs of sustainable development. The CIL receipts will not fund 100% of the costs of the infrastructure requirements and may only form one of a range of potential funding sources that need to be used to ensure that the infrastructure is effectively delivered.

2.2 What Development is Liable for CIL?

- 2.2.1 CIL is chargeable on new build floorspace only. Liability to pay CIL arises when, on completion of the development, the gross internal area of new build is 100 square metres or above. The development of a new house, even if it is less than 100 square metres, is liable to pay CIL, unless it is a 'self-build' dwelling, Community self-build or is social housing (for which social housing relief is made available). The levy is chargeable on the basis of a calculation related to pounds (£) per square metre (sq m) on net additional floorspace. Existing floorspace that has been in legal use within a period of six months prior to planning permission being granted is not liable for CIL.
- 2.2.2 CIL will not be charged on changes of use that involve new additional floorspace of less than 100m²; or on structures which people do not normally go into (or do so only intermittently for the purpose of inspecting or maintaining fixed plant or machinery). Affordable housing development and the majority of development by charities is exempt from the charge.

³ The Community Infrastructure Levy (Amendment) Regulations 2011, SI 2011 No. 987, <http://www.legislation.gov.uk/ukxi/2011/987/contents/made>

⁴ The Community Infrastructure Levy (Amendment) Regulations 2012, SI 2012 No.2975, <http://www.legislation.gov.uk/ukxi/2012/2975/contents/made>

⁵ The Community Infrastructure Levy (Amendment) Regulations 2013, SI 2013 No.982, <http://www.legislation.gov.uk/ukxi/2013/982/contents/made>

⁶ The Community Infrastructure Levy (Amendment) Regulations 2014, SI 2013 No.385 <http://www.legislation.gov.uk/ukxi/2014/385/contents/made>

2.2.3 The Draft Charging Schedule (Chapter Five) sets out the types of development on which it is proposed to introduce a levy, and the levy rate.

2.3 What are the Benefits of Setting A CIL?

2.3.1 Most development has some form of impact on the infrastructure needs of an area and, as such, it is fair that the development contributes towards the cost of those needs. Those needs could be environmental, social and/or economic in nature. The proceeds of CIL will be spent on infrastructure required to support the development of the area. The key benefits of a CIL are:

- Local communities will benefit from improved services as the money raised can be spent on a wide range of infrastructure;
- Developers and landowners will be able to determine more transparently, and at an early stage, the level of contributions they are required to make towards infrastructure provision;
- CIL will reduce the need for protracted planning obligations negotiations; and,
- The CIL Regulations provide for an end to tariff based approaches to planning obligations by April 2015, such as that currently operated by the council known as POIS. If the council did not introduce CIL, it is likely that there would be a significant loss of funding for infrastructure, due to the fact that POIS will no longer operate post April 2015.

2.4 What can CIL be Spent on?

2.4.1 CIL will pay for infrastructure to support new development. Infrastructure could be physical (e.g. roads); it could be green (e.g. open spaces) or it could be social (e.g. schools, community buildings). It can be used to pay for strategic infrastructure serving a wide area, such as improvements to the parkway system or electronic traffic management systems; or it can be local infrastructure such as a community building within a village. The Levy can be spent on 'the provision, improvement, replacement, operation or maintenance of infrastructure'.

2.4.2 In addition to new infrastructure, CIL receipts can also be used to expand and enhance existing infrastructure or for the on-going maintenance or operational costs of providing infrastructure. These costs must be directly related to the additional demands arising from new development. The up-front and continuing costs of preparing and implementing a CIL can also be drawn from CIL receipts subject to annual percentage ceilings.

2.4.3 In parished areas, 15% (capped at £100 per annum per registered council tax dwelling within the area) of the annual CIL revenue collected from development within the parish, will be passed to the parish council to be spent on locally determined infrastructure. This rises to 25% (uncapped) for those parishes with an adopted neighbourhood plan in place. For non-parished areas, the local planning authority will consult with communities to establish the local infrastructure priorities, towards which the equivalent 15% of annual CIL revenue for those areas may be spent. The precise mechanism for achieving this has yet to be agreed, though the current mechanism used for governing S106 and POIS funds provides a useful practical basis for doing this.

2.4.4 The 15% 'neighbourhood funding' can be spent on a wider range of things than general levy funds. It can be spent on supporting the development of the area by funding:

- a. the provision, improvement, replacement, operation or maintenance of infrastructure;
- or
- b. anything else that is concerned with addressing the demands that development places on an area.

- 2.4.5 The Council can retain up to 5% of revenue received to meet its costs in administering the levy.
- 2.4.6 The governance and prioritisation of future CIL spend (the remaining 75-85% part) is the responsibility of the Charging Authority (Peterborough City Council). However, in practice (and in line with statutory guidance) the prioritisation of projects will need to be undertaken in partnership with other infrastructure providers. During the CIL consultations and adoption process the council will consider further what governance arrangements need to be put in place to guide this process.

3. Consultation to Date

3.1.1 Informal Consultation and Engagement

3.1.1 A range of stakeholders were consulted throughout the evidence gathering process. The Integrated Development Programme (IDP), Infrastructure Delivery Schedule (IDS), and the Peterborough CIL Study (May 2012) contain further details on the informal consultation that has taken place with key stakeholders.

3.2 Preliminary Draft Charging Schedule (PDCS) Consultation

3.2.1 Consultation on the Preliminary Draft Charging Schedule (PDCS) took place between 1 November and 12 December 2012. The consultation included the PDCS, a short explanatory Guide to CIL, and a copy of the Peterborough Infrastructure Delivery Schedule. A set of 14 questions targeted on the PDCS, provided the focus for comment, whilst the opportunity to freely express related comment was also provided.

3.2.2 A broad range of comments and issues were raised in the representations received on the PDCS. A summary of the representations and the council's response to the specific points raised are included in the [PDCS Consultation Statement](#).

3.2.3 In general the comments concentrated on specific themes including: spend, process, CIL rates, viability and the assumptions used in the viability study.

3.2.4 A CIL Workshop Meeting was held at the Cross Keys Homes offices, Peterborough which had input from the development industry, the City Council, and other local planning agents on 19th March 2013. The purpose of this consultation event was to provide key stakeholders (primarily with local residential development experience) with an opportunity to share, challenge and inform the CIL Study modelling variables in light of their local experience.

3.3 Statement of Representations Procedure

3.3.1 Regulation 16 of the CIL Regulations 2010 (as amended) requires that the council publish a Statement of Representations Procedure alongside the Draft Charging Schedule. A copy of the [Statement of Representations](#) is available.

4. Evidence Base

4.1 Justification for a Peterborough CIL

4.1.1 Local authorities need to ensure that the CIL rate does not put at serious risk the overall development of their area. The CIL Regulations are clear that in setting rates, the charging authority must strike an appropriate balance between:

- *The desirability of funding from CIL (in whole or part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
- *The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

4.1.2 The Charging Schedule has to be informed by an appropriate evidence base. In order to adopt a sound Charging Schedule the council should :-

- Have an up to date Local Plan for the area
- Identify a local infrastructure funding gap
- Demonstrate the proposed CIL rates will not unduly affect the viability of planned development across the city
- Clarify how planning obligations policies will be varied after the introduction of CIL
- Produce a list of infrastructure types/projects (known as a Regulation 123 list) it intends to fund in whole or in part through CIL and review more generally the Council's wider existing policies for collecting developer contributions

4.2 An up to date Development Plan

4.2.1 Statutory guidance sets out that councils must have an up to date development strategy for the area in which they propose to charge.⁷ As set out in the National Planning Policy Framework for England, where practical levy charges should be worked up and tested alongside the Local Plan.⁸

4.2.2 In Peterborough, the CIL Draft Charging Schedule has been tested against the background of recently adopted planning documents. [The Core Strategy DPD](#)⁹ [Feb 2011] (itself supported by the Integrated Development Programme); the [Site Allocations DPD](#)¹⁰ [April 2012]; the [Planning Policies DPD](#)¹¹ [Dec 2012] and [City Centre Plan DPD](#)¹² (submission version)[April 2014].

4.3 An Infrastructure Funding Gap

4.3.1 The Community Infrastructure Levy Regulations 2010 (as amended) require that any levy's rates should be based on evidence of the infrastructure needed. The charging authority must consider what additional infrastructure is needed in its area to support development and what other funding sources are available. The focus should be on providing evidence of an aggregate funding gap that demonstrates the need to levy the Community Infrastructure Levy.

4.3.2 Statutory CIL guidance also states that information relating to the infrastructure needs of a Charging Authority should, wherever possible, be drawn directly from the infrastructure

⁷ Para 4, Community Infrastructure Levy Guidance, December 2012

⁸ Para 175, National Planning Policy Framework for England

⁹ <http://consult.peterborough.gov.uk/file/2344268>

¹⁰ <http://consult.peterborough.gov.uk/file/2344266>

¹¹ <http://www.peterborough.gov.uk/pdf/env-plan-ldf-ppdpd-adopted%20DPD.pdf>

¹² <http://consult.peterborough.gov.uk/file/2884570>

planning that underpins the Charging Authority's development plan. This is the case in Peterborough, the paragraphs below explain this.

Integrated Development Programme 2009

- 4.3.3 The council in partnership with Opportunity Peterborough, developed the Integrated Development Programme (IDP, 2009) to support the Peterborough Core Strategy. The IDP provided a costed, phased and prioritised programme of infrastructure development. The IDP identified infrastructure requirements in the order of £1.25 to £2.5 billion over the plan period.

Infrastructure Delivery Schedule 2012

- 4.3.4 The IDP was refreshed in 2012, with an updated picture reflecting 'on the ground delivery', planned development and with local community input from neighbourhood managers. This new version is referred to as the Infrastructure Delivery Schedule (IDS), a copy of which was made available as part of the Preliminary Draft Charging Schedule consultation stage and was used as background information for the Peterborough CIL Study. The IDS 2012 identifies infrastructure requirements in the order of £1.25 billion.

Infrastructure Eligible for CIL Funding

- 4.3.5 The IDS includes a clear indication of whether the project or infrastructure type is eligible for CIL funding. In simple terms, infrastructure projects that have been identified as eligible for CIL funding will not be eligible for S106 funds in future. This distinction is an important one which raises much interest and requires Charging Authorities to be as clear as possible so as to prevent what is referred to as 'double-dipping'.
- 4.3.6 The infrastructure projects or types that are eligible for CIL funding appear in the Regulation 123 List. Infrastructure projects may appear as individual projects within the list, or they may be subsumed under a wider infrastructure type heading (as appropriate). The CIL eligible projects / types listed in the IDS provide evidence of the CIL infrastructure bill.
- 4.3.7 The CIL Study sets out the proposed CIL Draft Charging Schedule rates and the projected revenue over the plan period 2015- 2031, which takes account of known planning permissions and completions until 2015. The forecast CIL revenue over the period 2015-2031 is approximately £29 million. The potential value of S106 obligations over the same period was calculated at approximately £64 million. In total, the planning contributions from both S106 obligations and CIL over the period to 2031, are forecast to total around £93 million.
- 4.3.8 The IDS identified total infrastructure costs of £1.25 billion over the same period. This provides clear evidence of an infrastructure funding gap.

Infrastructure Delivery Schedule Update 2014

- 4.3.9 Since the consultation on the Preliminary Draft Charging Schedule the IDS has been amended to reflect the latest known position, to inform the Draft Charging Schedule stage. The IDS contains a list of all known infrastructure projects that would support growth in different parts of the city. Some of the projects listed are expected to be delivered without CIL funding, as the funding is already known and agreed to be coming from a developer contribution and/or other public sector funds. Examples include schools to be provided by a developer of an urban extension, or the Highways Agency funding a road improvement scheme.
- 4.3.10 The IDS 2014 update identifies infrastructure costs of around XXXX This maintains the evidence of an infrastructure funding gap when compared to estimated CIL receipts.

Prioritisation

- 4.3.10 In practice financial resources will rarely meet all the identified needs for infrastructure at any given time and there will inevitably be a requirement to phase and prioritise projects across an area. The Infrastructure Delivery Study and subsequent updates should be a key document in informing the prioritisation process.
- 4.3.11 The role of the IDS is not to provide absolute assurances as to how the council intends to spend CIL, but to illustrate that the intended CIL targets are justifiable given local infrastructure need and based on appropriate available evidence. It is not a formal investment programme and does not entail commitment by the council or other statutory providers.

Projected CIL Income and the Residual Infrastructure Funding Gap

- 4.3.12 It is difficult to accurately forecast CIL receipts due to the complicated nature of levying the new charge and how often landowners will pursue CIL exemptions. Revenues will depend on the volume, rate of build and type of new development undertaken.
- 4.3.13 The largest generator of CIL is likely to be residential development. The housing trajectory associated with the Core Strategy and Site Allocations document has been used to estimate potential CIL revenue from residential development to 2031. The associated revenue projections 2015 to 2031 are set out in the Peterborough CIL Study (Table 2) is reproduced overleaf.

Table 2 : CIL & S106 Revenue Projections 2015-2031

CIL Revenue Projections		2015-2031									
Assumes Gt Haddon has planning permission by April 2015											
	CIL Charge per sq.m	No. units in plan period (note 1a)	Market units (note 1b)	Unit floorspace (note 2)	Gross floorspace (see note 3)	Estimated net additional proportion (see note 4)	Estimated net additional floorspace	Estimated CIL revenue in plan period	Estimated CIL revenue per annum	S106 Revenue See Notes to right	Estimated annual S106 revenue
Residential											
<15 Units											
Houses Low	£100	20	20	100	2,000	95%	1,900	190,000	11,875	340	21.25
Houses Moderate	£120	238	238	110	26,180	95%	24,871	2,984,520	186,533	4,046	252.88
Houses High	£140	189	189	120	22,680	95%	21,546	3,016,440	188,528	3,213	200.81
Apartments Low	£15	47	47	45	2,115	95%	2,009	30,139	1,884	799	49.94
Apartments Moderate	£45	76	76	45	3,420	95%	3,249	146,205	9,138	1,292	80.75
Apartments High	£75	5	5	45	225	95%	214	16,031	1,002	85	5.31
15+ Units											
Low	£15	180	126	100	12,600	95%	11,970	179,550	11,222	630,000	39,375.00
Moderate	£45	2,143	1,500	110	165,003	95%	156,753	7,053,891	440,868	7,500,150	468,759.38
High	£75	1,703	1,192	120	143,035	95%	135,883	10,191,258	636,954	5,959,800	372,487.50
Apartments	£0	1,158	811	45	36,477	95%	34,653	-	-	4,053,000	253,312.50
Strategic Sites	£15	2,300	1,610	110	177,100	95%	168,245	2,523,675	157,730	39,100,000	2,443,750.00
Non-residential											
Retail - convenience	£150				11,500	95%	10,925	1,638,750	102,422	1,638,750	102,421.88
Retail warehouse	£70				15,000	95%	14,250	997,500	62,344	2,137,500	133,593.75
Retail - Neighbourhood Conv.	£15				6,250	95%	5,938	89,063	5,566	-	-
Retail - TC comparison	£0				4,000	50%	2,000	-	-	200,000	12,500.00
Industrial/warehousing	£0				150,000	95%	142,500	-	-	1,425,000	89,062.50
Office	£0				122,000	95%	115,900	-	-	1,098,000	68,625.00
Total								29,057,022	1,816,064	63,751,975	3,984,498.44
								PDCS Comparison	67,068,560	3,945,209	
Note:											
S106 Revenue is exclusive of a financial value for Affordable Homes delivery. This monetary value is not shown as it is assumed that they will all be delivered on-site.											
S106 Revenue (with the exception of Affordable Homes) has a costed financial value in the above table. In reality, a significant proportion of this value will not arrive in the Council coffers, it will be physically delivered on-site by the developer and partners as part of the development.											

4.4 Viability Evidence Base

- 4.4.1 The requirement to demonstrate that the proposed CIL rates will not unduly affect the viability of planned development across the city has been taken into account in the Peterborough CIL Viability Study (April 2014). The document is made available for reading alongside this consultation document.

Peterborough CIL Study - Viability Assessment

- 4.4.2 To meet legal requirements and satisfy an independent examiner, a CIL Charging Schedule should strike an appropriate balance between the need to fund infrastructure and the impact of CIL and not put at serious risk the overall development of the area.
- 4.4.3 Consultants, Peter Brett Associates, in producing the Peterborough CIL Study (April 2014) undertook separate assessments of the viability of residential and non-residential development, using different models that take account of the key characteristics of each. Assessments of residential development have been done for development on sites where no affordable housing is required (current policy sets a threshold of 15 units for the provision of affordable housing); on sites of up to 500 units (a trigger point for several large, high cost on-site infrastructure items); and sites of 500 or more units where significant on-site infrastructure is likely to be required. Separate assessments have also been undertaken for apartment and house schemes.
- 4.4.4 In respect of non-residential development, a number of development types were assessed using a simple high-level model to reveal the surplus/residual profit or deficit after all development costs (including the developer's margin) have been taken into account. The assessments included city centre offices, business park offices, industrial, and retail – high street comparison, retail warehouse, supermarket and neighbourhood convenience; and some less common uses and forms of development.
- 4.4.5 In determining the CIL rate, thought was given to determining the maximum potential CIL charge i.e. the point beyond which development is no longer viable. For each of the identified development types, the Charging Authority selected a rate which was clearly below the theoretical rate. The rates were published in the Preliminary Draft Charging Schedule, and most recently lower rates have been published in Draft Charging Schedule.
- 4.4.6 The consultants used a residual developer's margin appraisal approach to assess the financial capacity of a range of residential and non-residential development scenarios. The methodology they used follows a standard development appraisal, using assumptions (worked up in consultation with the development industry, iterated following the CIL Workshop) on land values, build costs, sales values and planning policy considerations (for example, 30% affordable housing on schemes of 15 or more dwellings). The methodology has been through successful CIL examinations with other authorities. Further detail is provided in the viability assessment.
- 4.4.7 The CIL Regulations allow for different rates to apply for different geographical zones in which development would be situated or by reference to intended use of development.
- 4.4.8 The consultants found that it is viable at the current time to levy a CIL charge on new residential development, to distinguish between a) three different charging zones across Peterborough that reflect distinctly different sales values; b) houses and apartments, c) residential developments of less than 15 dwellings; d) residential development of 15 or more dwellings but less than 500 dwellings. Distinction between different types of retail development is also reflected in the Draft Charging Schedule..

- 4.4.9 **Residential development** - The headline finding is that suitable overall parameters for charging CIL in the city were found to be between £15/sq.m to £140/sq.m. Within those parameters the consultants have indicated that there is sufficient evidence to justify the following distinctions:-
- Three differential residential charging zones across Peterborough, within which charging rates will vary depending upon the scale of development proposed
 - Differential rates for residential development of less than 15 dwellings, varying from £100 - £140/m² on such developments.
 - Differential rates for residential development of between 15 to 499 dwellings, varying from £15 - £70/m² on such developments.
 - Differential rates for development consisting of apartments (less than 15 dwelling schemes), varying from £15 - £70/m² on such developments.
 - A differential rate for strategic residential sites of 500 or more dwellings of £15/m².

- 4.4.10 The council's recommendation is to have a lower CIL charge rate for residential development on all strategic sites of 500 or more dwellings; and for sites of 15 to 499 dwellings if located within the lower charge rate zone. The recommended charge rate for such developments is £15/m². The charge rate of £15/m² reflects the range of infrastructure to be provided by the developer directly on-site or via S106 planning obligations is significantly greater than for strategic residential development sites. For sites of 15 to 499 dwellings within the lower charge zone, the lower rate reflects the viability issues concerning delivery of affordable dwellings in those wards. The £15/m² charge rate is set at a level below the theoretical maximum charge rate for such developments.

For developments of apartments, where 15 or more dwellings are proposed and affordable housing is a requirement, the council recommends a £NIL charge rate. This rate takes account of the differing viability economics of apartments schemes compared to houses.

- 4.4.11 **Retail** – The recommended charge rates for retail development varies with the type of retailing:-
- Supermarkets (500 sq.m or more) - recommended charge rate is £150/sq.m.
 - Retail Warehouses (500 sq.m or more) - recommended charge rate is £70/sq.m.
 - Neighbourhood Convenience Stores (less than 500sq.m) - recommended charge rate is £15/sq.m.
 - All Other Retail Development - recommended charge rate is £NIL/sq.m.

- 4.4.12 . Further detail is contained in the Viability Assessment.

- 4.4.13 **All Other Commercial Development:** The viability assessment concludes that in the current depressed market conditions many commercial uses would not be viable if a CIL charge was applied to them at this time. For this reason, all other commercial development is recommended to be charged at a £NIL/sq.m.

- 4.4.14 A number of detailed comments were made at the Preliminary Draft Charging Schedule consultation in relation to the viability testing and assumptions used, including the costs of professional fees; finance costs; build costs; S.106 and fees. Comments were also raised in relation to the proposed rates. A summary of these comments and detailed responses on behalf of the Council can be found in the Preliminary Draft Charging Schedule Statement of Consultation which should be read alongside this document.

4.5 The Relationship Between CIL and S.106

- 4.5.1 The introduction of CIL whilst promoted as something that will simplify the planning contributions process, has arguably made the process more complicated by creating an additional mechanism. Although CIL will become the main mechanism used to secure certain planning contribution types, S106 planning obligations will continue to be used to secure other contribution types. The principle is that all eligible developments must pay a CIL charge as well as any necessary S106 obligation sought to make a proposed development acceptable.
- 4.5.2 Appendix A and C have been published to clarify which mechanism, CIL or S106, will likely be used to secure planning contributions for different infrastructure types in Peterborough. See also the Draft developer Contributions SPD.
- 4.5.3 CIL Guidance advises that, for transparency charging authorities should have set out at CIL Examination how their S.106 policies have been varied¹³. It has therefore been necessary to commence a parallel review of the council's procedures for S.106 planning obligations and to consider the future of the existing Planning Obligations Implementation Scheme SPD (POIS).
- 4.5.4 The council has determined that the Peterborough POIS will have to be revoked at the same time as the Peterborough CIL is adopted. POIS will therefore be replaced by CIL.
- 4.5.5 However, S106 planning obligations will continued to be used. To support and clarify the process the council has published a Draft Developer Contributions SPD, which helpfully sets out the proposed relationship between CIL and S106, and the scale of planning contributions that will be sought on-site, or via a commuted sum if off-site contributions in lieu of provision is deemed appropriate. The preparation of the document has been a central input into the viability modelling for the CIL Study.
- 4.5.6 The Draft Developer Contributions SPD has been published alongside the CIL Charging Schedule at CIL Examination.

4.6 Draft Regulation 123 List

- 4.6.1 CIL regulations¹⁴ indicate that the council's draft infrastructure list, also known as the Draft Regulation 123 List, should 'set out at Examination a draft list of the projects and types of infrastructure that are to be funded in whole or part by the levy'.
- 4.6.2 The need, in the eyes of the development industry, to consult on a Draft Regulation 123 List as soon as possible to ensure the view of landowners and developers are taken on board, was a matter raised during the PDCS consultation.
- 4.6.3 A Draft Regulation 123 List is published alongside the Draft Charging Schedule.
- 4.6.4 Following CIL adoption, the draft list will form the basis of the council's 'Regulation 123 List' of CIL funded projects for which S.106 planning obligations should not normally be sought. This list has to be published and any subsequent revisions to it would need to be subject to appropriate consultation. This requirement to publish a Regulation 123 List is specifically designed to prevent the 'double charging' of developers.
- 4.6.5 The Peterborough Draft Regulation 123 is not a comprehensive detailed list of specific infrastructure projects. Indeed experience nationally is showing that in general, Reg.123 Lists are not being designed in such a way. Instead, a common approach is one whereby the Reg.123 list identifies both broad areas of infrastructure (and as such, anything which

¹³ Para 2:6:2:2, CIL Guidance, February 2014, DCLG

¹⁴ The Community Infrastructure Levy (Amendment) Regulations 2014, SI 2013 No.385
<http://www.legislation.gov.uk/ukxi/2014/385/contents/made>

falls under a broad infrastructure 'type' heading, would be able to be funded by CIL, but not by S.106) and some selected specific infrastructure items (such as a named specific highway improvement or specific named new school, which again would mean that developer contributions for these specific items could not be sought from S.106 Planning Obligations).

- 4.6.6 The starting point for the prioritisation of projects, or broad areas of infrastructure, to go on the Draft Reg.123 list is the IDS. The subsequent decision as to which infrastructure projects receive CIL funding from the finalised Reg.123 List will ultimately lie with the parish councils (the 15-25% meaningful proportion) and the city council for the remainder. However, input from other key stakeholders will be essential on all these matters. As such, sound governance arrangements around maintaining the Reg.123 list, the prioritisation of CIL spend and the policy mechanism around developer contributions in general are essential. The council is committed to working with key stakeholders to ensure appropriate governance arrangements are in place for the administration of CIL once it is adopted.

5. Community Infrastructure Levy Draft Charging Schedule



Peterborough City Council Community Infrastructure Levy Draft Charging Schedule

Peterborough City Council, as the local Planning Authority, is the Charging Authority and will also be the Collecting Authority. This Charging Schedule comes into force in XXXX [To be inserted in final Charging Schedule, estimated to be April 2015]

Liability to Pay CIL

A chargeable development is one for which planning permission is granted and which is liable to pay CIL in accordance with the Regulations.

Schedule of Rates

Peterborough City Council is proposing to charge CIL in respect of development at the following rates:

Development Type	Charging Zone		
	High	Medium	Low
Market Housing on sites of less than 15 units	£140	£120	£100
Market Housing on sites of 15 or more units	£70	£45	£15
Apartments on sites of less than 15 units	£70	£45	£15
Strategic Sites (500 dwellings or more)	£15	£15	£15
Supermarkets (500sq m or more)	£150		
Retail Warehouses (500 sq m or more)	£70		
Neighbourhood Convenience Stores (less than 500 sq m)	£15		
All other development	£0		

All charges are £ per sq m

How will the Chargeable Amount be Calculated?

CIL charges will be calculated in accordance with CIL Regulation 40 (as amended). The chargeable amount will be equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates as set out in this charging schedule.

The chargeable amount will be index linked using the Royal Institution of Chartered Surveyors' All-in Tender Price Index figures for the year in which the planning permission is granted and the year in which this charging schedule took effect.

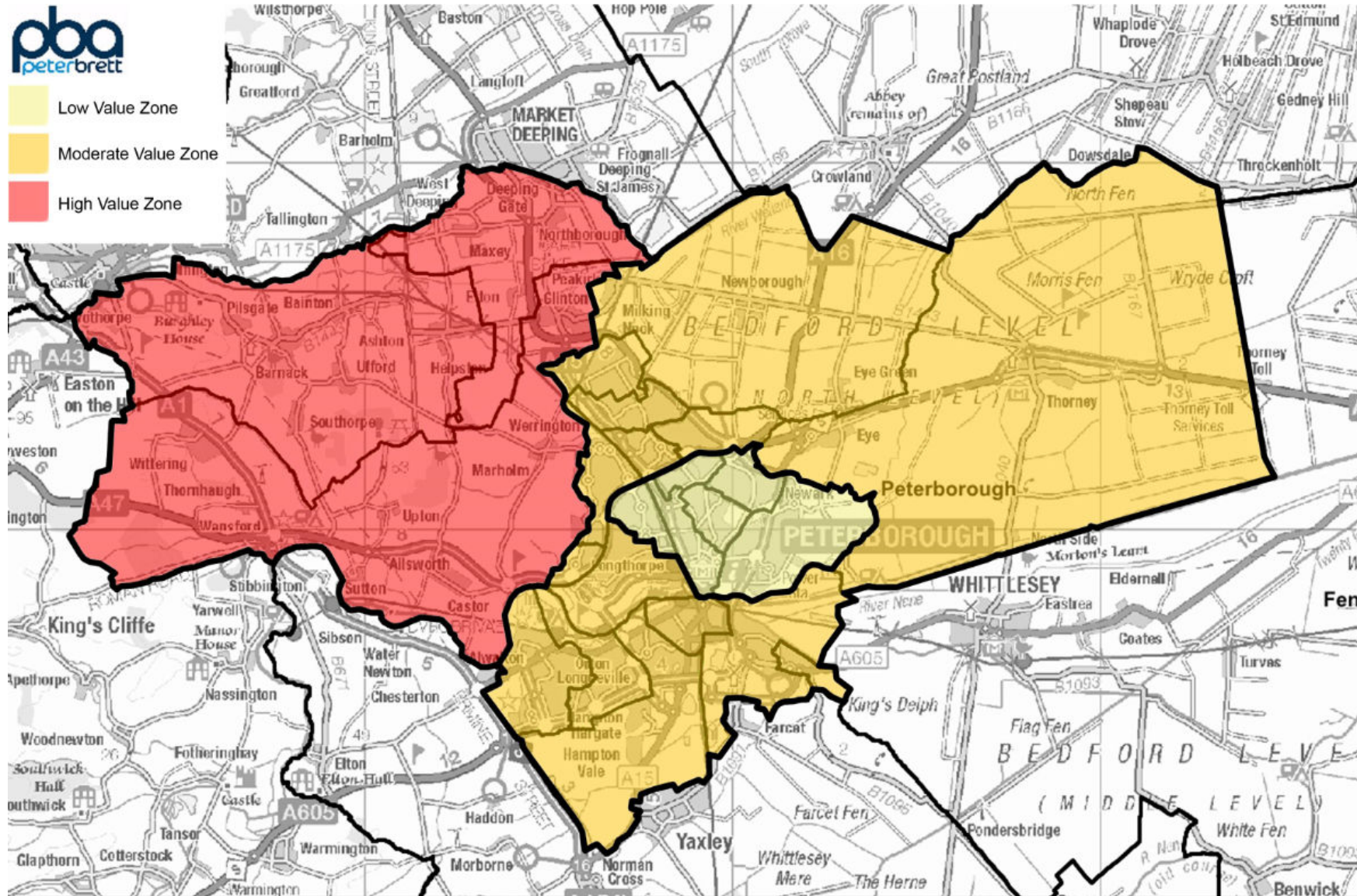
Date of Approval

This charging schedule was approved on xx/xx/xxxx [to be inserted in final Charging Schedule]

Date of Effect

This charging schedule will take effect on xx/xx/xxxx [to be inserted in final charging schedule]

5.2 Draft Charging Zones



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6. Implementing the Community Infrastructure Levy

6.1 How will CIL be Collected?

6.1.1 The council will issue a notice of liability as soon as practicable on or after the day on which a planning permission first permits development stating the chargeable amount in relation to the development. The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated and is a local land charge. Payment of the levy is due from the date the chargeable development commences. A commencement notice must be submitted to the council no later than the day before the day on which the chargeable development is to be commenced. It is the intention of the council to prepare and make available appropriate documentation and templates on its website prior to implementing the CIL.

6.2 Payment by Instalment

6.2.1 Regulation 70(7) of the Community Infrastructure Levy Regulations (as amended) sets a default of full payment of the Levy within 60 days of commencement of development. The CIL Regulations also enable a Charging Authority to set an Instalment Policy that allows payments to be spread over longer periods. The council has concluded that it is reasonable to spread payment instalments according to the scale of development that is proposed.

6.2.2 The council can change its Instalment Policy at any time, as long as the previous Instalment Policy has been in effect for more than 28 days.

6.2.3 Regulation 69B states that an instalment policy must contain:

- the date on which it takes effect;
- the number of instalment payments;
- the amount or proportion of CIL payable in any instalment;
- the time (to be calculated from the date the development is commenced) that the first instalment payment is due, and
- the time that any subsequent instalment payments are due; and,
- the minimum amount of CIL, below which CIL may not be paid by instalment
- Self-build housing (Regulation 54A)
- Residential Annexes or extensions (Regulation 42A)

6.2.4 A Draft CIL Instalment Policy has been set at Appendix D to enable interested parties to consider its implication on development finance and delivery. Whilst comments are invited alongside the Draft Charging Schedule, it should be noted that the Draft Instalment Policy will not itself be subject to Public Examination. The council will consider responses when finalising the Peterborough CIL Instalments Policy.

6.3 Payment in Kind

6.3.1 The Regulations provide the potential for a charging authority to accept payments in kind for CIL, in the form of a transfer of land to be used for infrastructure provision (as set out in Regulations 73 and 74). The value of the land needs to be equal to the amount of the CIL that would have been paid – with the land value being assessed by an independent valuer. It is in lieu of CIL, and is in addition to any transfer of land which may be required via Section 106 Agreements. It is the city council's prerogative to agree to a transfer.

6.4 Infrastructure Payments

- 6.4.1 The Regulations also provide the potential for a charging authority to make 'infrastructure payments' available in its area (Regulation 73A/B). The council intends to give notice that it is willing to accept infrastructure payments in its area. It will do this in accordance with the regulations, by publishing a notice on its website, and making it available for inspection at Bayard Place Reception and Peterborough Central Library.
- 6.4.2 An infrastructure payment is the provision of one or more items of infrastructure by the person liable to pay CIL in respect of a chargeable development on commencement of that development.
- 6.4.3 Where CIL is paid by way of an infrastructure payment the amount of CIL paid is an amount equal to the value of the infrastructure provided. The charging authority must aim to ensure that the infrastructure provided through an infrastructure payment will be used to support the development of its area.
- 6.4.4 Acceptance of infrastructure payments by a charging authority is subject to the regulatory provisions in Regulation 73A/B being met.
- 6.4.5 More general information relating to the payment of CIL in the form land and infrastructure payments is set out in the [DCLG CIL Guidance \(February 2014\)](#).

6.5 Mandatory Exemptions From CIL

- 6.5.1 The CIL regulations offer mandatory exemptions and discretionary relief from CIL for certain types of development. The CIL Regulations offer mandatory relief for the following types of development:
- Where the overall chargeable amount of a scheme is less than £50 (Regulation 40)
 - Development of less than 100sqm provided that it does not result in the creation of a new dwelling (Regulation 42)
 - The conversion of any building previously used as a dwelling house to two or more dwellings
 - The conversion of, or works to, a building in lawful use that affects only the interior of the building
 - Those parts of a development that are to be used as affordable housing (Regulation 49)
 - Development by registered charities for the delivery of their charitable purposes (Regulation 43)
 - Structures or buildings that people do not normally go into, or go into only intermittently for maintenance (e.g. sports pitches, sub-stations or wind turbines)(Regulation 6)

6.6 Discretionary Relief From CIL

- 6.6.1 The regulations allow Charging Authority's to permit discretionary relief from CIL (e.g. where a reduced or nil payment may be accepted). These cases are likely to be rare but could include the following:
- Development by charities for investment activities (as defined by Regulation 44)
 - Development by charities where relief would normally constitute State Aid (as defined in Regulation 45)
 - Where the city council considers there are exceptional circumstances to justify relief (as defined in Regulation 55).

Discretionary Charitable Relief

- 6.6.2 It is not the intention of the Council to offer this type of relief at present. At this stage the need for a discretionary charitable relief in addition to mandatory charitable relief is not considered justifiable and moreover, would impose an additional level of complexity in the

administration and management of the CIL charge. A policy of this kind could be introduced at any stage though and this position can be kept under review.

- 6.6.3 Only one respondent out of a total of twenty four indicated a preference for the introduction of further charitable relief at the Preliminary Draft Charging Schedule stage, indicating that the matter locally is not a particularly sensitive one.

6.7 Exceptional Circumstances Relief

- 6.7.1 Regulation 55 of the CIL Regulations permits a charging authority to grant relief from liability to pay CIL in 'exceptional circumstances'. This may only happen if a planning obligation of greater value than the chargeable amount has been entered into in respect of the planning permission that permits the chargeable development and the charging authority considers that payment of the levy would have an unacceptable impact on the economic viability of development. In such cases a developer would be expected to demonstrate this (as set out in Regulation 57) via an 'open book' approach with an agreed independent valuer (paid for by the developer). Relief can also only be granted if it does not constitute 'notifiable state aid' (as defined in European Law).
- 6.7.2 It is the intention of the council to offer exceptional circumstances relief. The circumstances in which a policy of this nature is likely to be used is likely to be extremely rare given that the CIL rate is set based on viability evidence. A statement confirming that the council will consider exceptional circumstances relief will be issued once the Charging Schedule has been adopted, in compliance with Regulation 56. The procedure will be in accordance with the steps set out in Regulation 57.

6.8 Monitoring

- 6.8.1 One of the issues that came up through the Preliminary Draft Charging Schedule consultation related to the need for a clearly defined review mechanism. The CIL Viability Study Report (2014), Chapter 9, identifies a set of criteria and values which if triggered, would warrant a review of the CIL Charging Schedule. If none of the criteria values are triggered, the council's proposes to regularly conduct a review of the CIL Charging Schedule no later than 36 months after the adoption or previous review, as appropriate.
- 6.8.2 As required by Regulation 62, the city council will publish an Annual CIL Report (for the financial year), which shows:
- The amount of CIL collected
 - The amount of CIL that has been spent
 - Information on how CIL funds have been spent (i.e. which infrastructure projects, and how much has been used to cover administrative costs)
 - The amount of CIL retained at the end of the reporting year.

7. Further Information

- The Peterborough CIL Study (Peter Brett Assoc's) April 2014
- The Peterborough CIL Study (Roger Tym & Partners) May 2012
<http://consult.peterborough.gov.uk/file/2341222>
- Peterborough Integrated Development Programme (IDP) 2009
- <http://consult.peterborough.gov.uk/file/1143424>
- Peterborough Infrastructure Delivery Schedule (IDS) 2012
<http://consult.peterborough.gov.uk/file/2341328>
- Peterborough Infrastructure Delivery Schedule (IDS) 2014

- Peterborough Regulation 123 List
- Peterborough Regulation 16 Statement of Representations
- Peterborough Draft Developer Contributions Supplementary Planning Document

- Peterborough Core Strategy DPD (adopted 2011)
<http://consult.peterborough.gov.uk/file/2344268>
- Peterborough Site Allocations DPD (adopted 2012)
<http://consult.peterborough.gov.uk/file/2344266>
- Peterborough Planning Policies DPD (adopted 2012)
<http://www.peterborough.gov.uk/pdf/env-plan-ldf-ppdpd-adopted%20DPD.pdf>
- Peterborough Planning Obligations Implementation Scheme [POIS] (adopted 2010)
<http://www.peterborough.gov.uk/pdf/Planning-policy-Planning%20Obligation%20Implementation%20Scheme%20SPD1.pdf>

- Community Infrastructure Levy Relief – An Overview , May 2011, DCLG
<https://www.gov.uk/government/publications/community-infrastructure-levy-relief-guidance>
- Community Infrastructure Levy Guidance, February 2014, DCLG
http://www.planningportal.gov.uk/uploads/cil/cil_guidance_main.pdf
- CIL frequently asked questions, February 2014, Planning Advisory Service
http://www.pas.gov.uk/web/pas-test-site/3-community-infrastructure-levy-cil/-/journal_content/56/332612/3842797/ARTICLE

- The Community Infrastructure Levy Regulations 2010,
<http://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents>
- The Community Infrastructure Levy (Amendment) Regulations 2011,
<http://www.legislation.gov.uk/uksi/2011/987/contents/made>
- The Community Infrastructure Levy (Amendment) Regulations 2012,
<http://www.legislation.gov.uk/ukdsi/2012/9780111529270>
- The Community Infrastructure Levy (Amendment) Regulations 2013
<http://www.legislation.gov.uk/uksi/2013/982/contents/made>
- The Community Infrastructure Levy (Amendment) Regulations 2014
<http://www.legislation.gov.uk/uksi/2014/385/contents/made>

APPENDIX A

The Interaction between S.106 and CIL following the adoption of a CIL charging schedule

Upon the adoption of a CIL, or by 6th April 2015, whichever is the sooner, the use of planning obligations will be scaled back. Once the CIL is in place the pooling of Section 106 obligation contributions will be limited to five such contributions only, for a single piece or type of infrastructure. The same restriction will not apply to CIL receipted funds, thus allowing the pooling of CIL receipts to help fund, in whole or part, infrastructure needed to support or mitigate the impact of new development over an area, whereas Section 106 planning obligations will remain, mainly for on-site mitigation, including the provision of affordable housing.

Statutory CIL guidance¹⁵, issued by the Department for Communities and Local Government in February 2014, states (paragraph 2:6:2:2):

“When a charging authority introduces the Community Infrastructure Levy, section 106 requirements should be scaled back to those matters that are directly related to a specific site, and are not set out in a regulation 123 list. For transparency, charging authorities should have set out at examination how their section 106 policies will be varied, and the extent to which they have met their S.106 targets.”

Exactly what infrastructure will receive CIL funding will be dependent on an agreed CIL related Regulation 123 list. The council is required to publish its intentions for how revenue raised from CIL will be spent through the publication of this list. However, just because an item or type of infrastructure goes on the infrastructure list it does not mean it will definitely happen or benefit from CIL funds. It does mean that the said project will not receive any funds from a S.106.

The Reg. 123 list does not have to be a comprehensive detailed list of specific infrastructure projects. Indeed experience nationally is showing that they are not. Instead, a common approach is one whereby the Reg. 123 list identifies both broad areas of infrastructure (and as such, anything which falls under that broad area would be able to be funded by CIL, but not by S.106) and some selected specific infrastructure items (such as a named specific highway improvement or specific named new school, which again would mean that developer contributions for these specific items could not be sought from S.106 Planning Obligations).

There is a tricky balance to play as to what goes on the Reg. 123 list. First, it needs to be comprehensive enough so that it is demonstrable that there is sufficient infrastructure needed with a ‘funding gap’ to justify the imposition of a CIL. Second, it needs to be not so comprehensive (or broad) as to list (or cover) every single piece of infrastructure that is needed, because in such circumstances this would mean the Council would not be able to negotiate any S.106 funding even when it would otherwise be perfectly sensible or reasonable to do so. As a reminder, S.106 Planning Obligations will still be used for site-specific infrastructure or mitigation required to make development acceptable in planning terms. The principle is that all eligible developments must pay a CIL as well as any site-specific requirement to be secured through Section 106 Agreements.

Upon the adoption of a CIL, it will be necessary for the council to revoke its Planning Obligation Implementation Scheme SPD (POIS), as that document and the mechanism it promotes will no longer be valid. The council intends to replace the POIS SPD with a new Developer Contributions

¹⁵ Community Infrastructure Levy Guidance, DCLG, February 2014
http://www.planningportal.gov.uk/uploads/cil/cil_guidance_main.pdf

SPD, a draft version is available for consultation alongside the CIL Draft Charging Schedule consultation. The Developer Contributions SPD will make clear, for developers as well as the public, how CIL and S.106 will interact with each other once CIL is adopted.

It is important to make it clear at the Draft Charging Schedule consultation stage in how CIL will work alongside S.106 once CIL has been introduced. This relationship is considered confusing to many, making communication of the concept a challenge. Added to this, there have been concerns raised about the potential 'double charging' of developers, i.e. being charged CIL and S106 for the same infrastructure projects or types. This matter was raised in the feedback to the Preliminary Draft Charging Schedule consultation. The DCLG CIL Guidance sets out the requirement to demonstrate at CIL examination, how S.106 policies will be varied.

Appendix B

Received developer contributions secured through S.106 and POIS, 2010 – 2013

Table B1

S.106 Planning Obligations	2010/11	2011/12	2012/13
Developer contributions received through S106 obligations	£2,398,433	£4,404,321	£5,988,678
Developer contributions received through the Planning Obligations Implementation Scheme (POIS)	£436,146	£2,236,212	£226,436
Expenditure of S106 monies	£1,461,048	£2,467,890	£4,341,279
Expenditure of POIS monies	£0	£447,550	£272,798

Table B2 provides further breakdown of the figures above by infrastructure type. The information has been taken from the council's S.106 monitoring database. It should also be stated that the council has delivered 30% affordable housing on sites over 15 dwellings alongside S.106 requirements outlined above- this is also referenced in the table below.

Table B2 – Received developer contributions by Infrastructure Type.

	Totals 2010 - 11	Totals 2011 - 12	Totals 2012 - 13
S106 Financial Receipt by Infrastructure			
Communications (including Transport)	£163,156.29	£48,577.88	£198,517.87
POIS	£436,146.15	£2,236,212.68	£226,436.05
Environment	£313,210.01	£506,711.11	£20,000.00
Health	£28,616.64	£2,607.29	£96,371.32
Police/fire etc	£14,372.26	£1,355.31	£0.00
Housing (exc on-site provision)	£194,424.99	£869,637.57	£0.00
Children's Services	£605,987.81	£100,430.76	£5,164,858.47
Community	£628,789.63	£578,661.42	£267,847.30
Monitoring Fees	£13,730.18	£60,127.20	£14,647.82
Total financial receipt received (Inc Monitoring fees)	£2,398,433.96	£4,404,321.22	£5,988,678.83
POIS - Financial Receipts by Neighbourhood Investment Area			
Peterborough Central and East	£57,800.00	£1,135,201.49	£81,213.56
Peterborough North and West	£36,404.00	£819,493.94	£59,786.40
Peterborough South	£341,942.15	£281,517.25	£85,436.09
Total POIS received	£436,146.15	£2,236,212.68	£226,436.05
Number of Affordable Housing Units delivered	267	98	100

POIS receipts are not infrastructure type or project specific. The receipted income is pooled and distributed by infrastructure theme in accordance with a Cabinet agreed formula as indicated below.

Table B3 – POIS Funding split by Infrastructure Theme.

Transport	30%	Utilities Services	5%
Education & Skills	40%	Emergency Services / Health & Well Being	5%
Community Infrastructure	10%	Environmental Sustainability	10%

Appendix C

Summary of Likely Relationship between S106 and CIL

	Residential development on non-strategic sites (1- 499 dwellings)		Residential development on strategic sites (500+ dwellings)	
	CIL £15 - £140/m²	S106 Obligation	CIL £15/m²	S106 Obligation
Infrastructure Type	Contribution can be used for	Contribution can be used for	Contribution can be used for	Contribution can be used for
Transport	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Education	✓ (Off-site provision)	✗ (No Site Specific Prov'n if <500 dwellings)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Affordable Housing	✗	✓ (Site Specific Prov'n if >14 dwellings)	✗	✓ (Site Specific Prov'n)
Lifetime Homes	✗	✓ (Site Specific Prov'n if >14 dwellings)	✗	✓ (Site Specific Prov'n)
Wheelchair Homes	✗	✓ (Site Specific Prov'n if >50 dwellings)	✗	✓ (Site Specific Prov'n)
Emergency Services	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Primary Health Care	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Crematorium/Burial grounds	✓	✗	✓	✗
Non-Strategic Outdoor Open Space	✓(Off-site provision)	✓ (Site Specific Prov'n if >14 dwellings)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Strategic Outdoor Open Space	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Strategic Green Infrastructure	✓	✗	✓ (City-wide. Projects Only)	✗
Indoor Sports Facilities	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Community Buildings	✓(Off-site provision)	✗ (No Site Specific Prov'n if <500 dwellings)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Libraries, Museum and Life Long Learning	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Public Realm	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)

Environment Capital	✘	Condition	✘	Condition / ✓ (Site Specific Prov'n)
Site Drainage	✘	Condition	✘	Condition
Flood Risk Management & Protection	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Waste Management	✓ (City-wide. Projects Only)	Condition	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Other Infrastructure	Refer to CIL R.123 List	Case by Case	Refer to CIL R.123 List	Case by Case
Key				
✓	Only CIL may be used for this infrastructure type/project			
✘	CIL or S106 planning obligation will not be sought for this infrastructure type/project (as appropriate column)			
Condition	Site specific matters relating to this infrastructure type most likely to be covered by condition i.e. use of planning obligation unlikely.			
✓ (City-wide. Projects Only)	CIL will be charged, but may only be used on city-wide projects or strategic projects.			
✓ (Off-site provision)	CIL will be charged, but may only be spent for off-site provision where on-site provision is not feasible. This may include off-site local or neighbourhood level projects (as opposed to solely city-wide or strategic projects).			
✓ (Site Specific Prov'n)	Infrastructure secured through a S106 planning obligation that is required to be delivered on-site, but can include off-site works within the immediate vicinity, that are required to mitigate unacceptable consequences of the proposal, such a new road junction/improvement.			
✓ (Site Specific Prov'n if >X dwellings)	S106 planning obligation will only be sought on developments involving more than the specified numbers dwellings for site specific provision infrastructure of the type listed.			

APPENDIX D

Draft Instalment Policy Peterborough City Council Community Infrastructure Levy (CIL) Instalment Policy (Draft)

This Instalment Policy will take effect on xx/xx/xxxx

Peterborough City Council as Charging Authority for its area will permit the payment of CIL liability by instalment in accordance with Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended).

Level of CIL Payable	Number of Instalments	Potential Instalment Policy
Chargeable Amount less than £70,000	Payable in one instalment	100% payable within 270 days of the commencement date
Chargeable Amount between £70,000 and £200,000	Payable in two instalments	1st instalment of 50% payable within 270 days of commencement date 2nd instalment of 50% payable within 450 days of commencement date
Chargeable Amount above £200,000 but less than £320,000	Payable in two instalments	1st instalment of 50% payable within 270 days of commencement date 2nd instalment of 50% payable within 540 days of commencement date
Chargeable Amount between £320,000 and £1,000,000	Payable in three instalments	1st instalment of 25% payable within 270 days of commencement date 2nd instalment of 50% payable within 540 days of commencement date 3rd instalment of 25% payable within 720 days of commencement date
Chargeable Amount over £1,000,000	An instalment arrangement will be negotiated and agreed on a 1:1 basis for sites of this scale	
*NB: If 50% or more of the chargeable development is occupied, at any time before the chargeable amount has been paid in full, then the outstanding amount will be due in full within the instalment time given or 60 days whichever is the lesser unless otherwise agreed in writing with Peterborough City Council BEFORE commencement of development.		

As permitted under Regulation 9(4) of the Community Infrastructure Levy Regulations 2010 (as amended), where outline permission has been granted which permits development to be implemented in phases, each phase of the development as permitted by Peterborough City Council is a separate chargeable development, and the Instalment Policy will therefore apply to each chargeable development and the associated separate chargeable amount.

CIL Instalment Policy Advice

The requirements set out in Regulation 70 of the CIL Regulations must be complied with if the persons liable for paying CIL wish to do so by instalment, in accordance with this published Instalment Policy.

This Instalment Policy only applies where:

1. The council has received a CIL Assumption of Liability form prior to the commencement of the chargeable development (Regulation 70(1)(a)), and
2. The council has received a CIL Commencement Notice prior to commencement of the chargeable development (Regulation 70(1)(b)) and the council does not challenge the date of commencement specified.

If the above requirements are not met, the CIL liability is payable in full at the end of the period of 60 days beginning with the intended commencement date of the chargeable development.

Where the above requirements have been met, instalment payments must be made in accordance with this Instalment Policy. Where an instalment is not received in full on or before the day on which it is due, the unpaid balance of the CIL liability becomes payable in full immediately (Regulation 70(8)(a)).

To summarise, in order to be eligible to pay a CIL liability by instalment, all the relevant forms must be submitted to the Council prior to the commencement of the chargeable development, and all the payments must be made in accordance with this CIL Instalment Policy and Regulatory requirements.

The Instalment Policy will come into effect on the date of the approval of the Peterborough Community Infrastructure Levy: Charging Schedule.

Draft CIL Regulation 123 List Peterborough City Council Community Infrastructure Levy

(To accompany the Community Infrastructure Levy Draft Charging Schedule consultation)

The infrastructure listed below has been divided into infrastructure types in Peterborough that are eligible for CIL funding and those that are not.

The Draft Regulation 123 list, as set out below, defines which projects and/or types/sections of infrastructure that the council will fund through CIL revenues. It will take effect upon the implementation of the Council's CIL Charging Schedule. The list is not definitive, and in no order of priority, as no formal decisions have yet been taken to confirm how CIL funds will be allocated amongst the listed infrastructure types/projects. It lists infrastructure types/projects that CIL could be used to fund, and by default, what S106 planning obligations contributions can't.

Infrastructure types and/or projects that will, or may, be funded in whole or in part by CIL:

Development Specific infrastructure (Non-CIL funded)	Remaining Infrastructure (CIL funded in whole or part)
Local site-related road / transport requirements	Remaining Roads and other Transport facilities
Site specific education provision contributions for sites of 500 dwellings or more	Remaining Educational facilities
Site specific health provision contributions for sites of 500 dwellings or more	Remaining Health facilities
Site specific indoor sports and recreational facilities contributions for sites of 500 dwellings or more	Remaining Indoor Sports and Recreational facilities
Site specific community buildings contributions for sites of 500 dwellings or more	Remaining Community buildings
Site specific library, museum, and life-long learning provision contributions for sites of 500 dwellings or more	Remaining library, museum, and life-long learning facilities
Site-specific waste management provision contributions	Remaining Waste Management infrastructure
Site specific emergency services contributions for sites of 500 dwellings or more	Remaining Emergency services
Local site-related utility requirements	Remaining Utilities
Local site-related flood risk management solutions/ requirements	Remaining Flood risk management schemes
Site specific public realm contributions for sites of 500 dwellings or more	Remaining Public Realm infrastructure
Site specific strategic outdoor open space contributions for sites of 500 dwellings or more	Remaining strategic outdoor open space infrastructure
Site specific non-strategic open space provision contributions for sites over 14 dwellings	Remaining non- strategic outdoor open space infrastructure
	Crematorium and Burial Grounds infrastructure
	Strategic Green infrastructure

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Peterborough Infrastructure Delivery Schedule (IDS)

June 2014

This Schedule has been published alongside the Community Infrastructure Levy (CIL) Draft Charging schedule. Please go the following website for full consultation details and background material:

Peterborough City Council
Growth and Regeneration
Stuart House East Wing
St John's Street
Peterborough
PE1 5DD

Tel: (01733) 863872
Fax: (01733) 453505

www.peterborough.gov.uk

Peterborough Infrastructure Delivery Schedule (IDS) 2014

Introduction

The Peterborough Infrastructure Delivery Schedule (IDS) identifies infrastructure projects that will support the sustainable growth of the city to 2026 and beyond. This document lists the projects identified at June 2014 and has been published alongside the council's [Community Infrastructure Levy \(CIL\) Draft Charging Schedule for public consultation](#)¹.

The projects are grouped into the following theme:

- Community Infrastructure
- Transport
- Environmental Sustainability
- Health and wellbeing
- Skills and Education
- Emergency Services
- Utilities and Services

The projects have been provided by departments of the city council and partners, and predominantly reflect projects already agreed and evidenced through other plans and strategies, such as the [Peterborough Core Strategy](#)² and [Local Transport Plan](#)³ (LTP).

The Infrastructure Delivery Schedule is, by its very nature, a 'work in progress' item that is continually being reviewed and updated to reflect our latest growth programme. This list is correct at 2 June 2014. It should not be seen as a fixed or exhaustive list, nor should it be read to mean every project will definitely be delivered or delivered at a specific time. Projects can and will change at any time, and the Schedule will be updated accordingly. It will be fully refreshed and agreed by Cabinet annually, each summer, and be made available on the council's website.

Background

In 2009, the Peterborough Integrated Development Programme (IDP) (2009) was produced to provide a full breakdown of the infrastructure needs of Peterborough, based on the projected growth outlined in the Core Strategy over the plan period to 2026.

Since then development has progressed in some areas of the economy and been effected the economic recession in others. The IDP 2009 was refreshed, in partnership with key partners and infrastructure providers, to support the introduction of the CIL. The revised list, known as the Peterborough Infrastructure Delivery Schedule 2012 (IDS 2012) was published alongside the CIL Preliminary Charging Schedule (2012) and consulted on in November 2012. The IDS has been updated again in 2014 to support the CIL Draft Charging Schedule. The refreshed list has taken into account:

- Changes in legislation, statutory guidance and associated regulations; policy, local priorities and actual implementation on the ground since 2012;
- Current and forecast funding availability.

¹

² <http://www.peterborough.gov.uk/pdf/Plan-policy-ldf-cs-adoptedCS.pdf>

³ <http://consult.peterborough.gov.uk/file/2884570>

The refresh takes into account the proposed introduction of a CIL, and how this might work in tandem with Section 106 agreements. Further detail about this matter is set out in the [Peterborough Developer Contributions Supplementary Planning Document⁴](#) (SPD).

4

Key to IDS Tables

All infrastructure projects are listed in the tables from page 5 onwards, the table is split into nine headlines that explain the timescale, indicative cost and if CIL or s106 contributions are required. The following table explains what each column heading means.

Table 1

Column	Title	What does it mean?
1	Thematic Package	<p>Projects have been grouped into 7 thematic packages with the following names:</p> <ul style="list-style-type: none"> • Community Infrastructure • Emergency Services • Environmental Sustainability • Health and Wellbeing • Skills and Education • Transport • Utilities and Services.
2	Project Code	Unique project reference number derived from the council's Verto projects database.
3	Project Title	Brief descriptive title by which the project is known.
4	Delivery Timescale	<p>The timescale within which the project is scheduled to start. The timescales used are:</p> <ul style="list-style-type: none"> • Within this financial year • Short Term (within 1 – 5 years) • Medium Term (within 6-10 years) • Long Term (within 11 – 15 years) • Beyond (over 15 years).
5	Is the project likely to require an element of PCC funding?	<p>PCC funding in this context refers to the city council capital receipts and/or borrowing funding streams.</p> <p>PCC funding in this context is NOT inclusive of government grants or payments from third parties via S106s etc.</p>
6	Is the project likely to require an element of CIL funding?	CIL funding – monies secured through a community infrastructure levy charge, when a CIL is adopted.
7	Is the project likely to require a S106 contribution?	S106 contributions – contributions or obligations (finance, land, property or other in-kind payments) secured through S106 Agreements.
8	Minimum capital cost (£ million)	Indicative minimum cost of the infrastructure project (or actual minimum where known).
9	Maximum capital cost (£ million)	Indicative maximum cost of the infrastructure project (or actual minimum where known).

Note: Financial contributions towards infrastructure provision from future developments will be secured predominantly by two mechanisms: the CIL (assuming the city council adopts a CIL Charging Schedule) and a more limited use of Section 106 Agreements. The Peterborough Draft Developer Contributions SPD sets out the related issues and assumptions concerning both mechanisms.

It should be stressed that it is not always possible to accurately identify the funding sources or the eligibility of projects for different funding types, until the full detail of a project is known or a legal agreement is in place committing a developer to a specific action. However, the city council and partners have given consideration to which mechanism(s) is likely to be appropriate i.e. CIL, S106 or both, for providing a contribution to project delivery. This is recorded in columns 5 to 7 in this Schedule. This is provided purely to help calculate the indicative financial figures set out in the CIL Draft Charging Schedule.

Within this document, for each listed project, the likely funding sources to be used to finance or support the delivery of a project (provision of land or construction of some or part of the infrastructure project) are indicated. When considering future project delivery, it must be recognised that there are many unknowns, which tend to increase the further in time the matter is projected. For this reason the costs, timescales and indicated funding streams must be read as indicative only.

Both the financial figures, and the likely funding sources contained in this schedule are indicative and should in no way be used or interpreted as the city council's agreed, preferred, fixed or adopted position on any one project, site or basis for negotiation.

Peterborough Infrastructure List – IDS 2014

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
COMMUNITY INFRASTRUCTURE									
COMMUNITY INFRASTRUCTURE	PR001497	Cluster/Sector Forums	Community Infrastructure	Short Term (next 1 - 5 years)	No	Yes	No	£0.02	£0.04
	PR001501	Peterborough Economic Intelligence Report	Community Infrastructure	Short Term (next 1 - 5 years)	No	Yes	No	£0.04	£0.08
	PR001504	Eco-Innovation Centre - Phase 2	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	Yes	No	£6.00	£8.00
	PR001507	City Marketing	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.30	£0.45
	PR001543	New Public Art Installations - promoting cultural venues	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.22	£0.22
	PR001672	Stanground South Community Pavilion	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	No	Yes	£0.28	£0.38
	PR001678	Great Haddon co-located community hub	Community Infrastructure	Medium Term (next 6 - 10 years)	Yes	No	Yes	£6.51	£7.00
	PR001679	Great Haddon co-located community room x 1	Community Infrastructure	Medium Term (next 6 - 10 years)	Yes	No	Yes	£0.21	£0.23
	PR001680	Hampton Leys Community Centre	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	No	Yes	£0.58	£0.65
	PR001702	Paston Reserve Community Facilities	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	No	Yes	£0.76	£0.86
COMMUNITY INFRASTRUCTURE	PR001703	Norwood Community Facilities	Community Infrastructure	Medium Term (next 6 - 10 years)	Yes	No	Yes	£0.76	£0.86
	PR001713	Great Haddon co-located community room x 2	Community Infrastructure	Medium Term (next 6 - 10 years)	Yes	No	Yes	£0.21	£0.23
	PR001714	Flag Fen Heritage Site	Community Infrastructure	Medium Term (next 6 - 10 years)	Yes	Yes	No	£15.00	£20.00
	PR001715	Cultural Development on Embankment	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	Yes	No	£15.00	£20.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
	PR001754	Centre for Sporting Excellence - Embankment	Community Infrastructure	Medium Term (next 6 - 10 years)	Yes	Yes	No	£40.00	£45.00
	PR001756	Business Enterprise Incubator Unit	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	Yes	No	£1.50	£2.20
	PR001757	Business Skills Service	Community Infrastructure	Short Term (next 1 - 5 years)	Yes	Yes	No	£1.00	£1.25
				Total ALL Projects				£88.39	£107.45
COMMUNITY INFRASTRUCTURE				Total CIL/S106 Funded Projects				£88.39	£107.45
EMERGENCY SERVICES									
EMERGENCY SERVICES	PR001544	Fire - tbc	Emergency Services						
	PR001545	Ambulance - tbc	Emergency Services						
	PR001546	Police - tbc	Emergency Services						
				Total ALL Projects				£0.00	£0.00
EMERGENCY SERVICES				Total CIL/S106 Funded Projects				£0.00	£0.00
ENVIRONMENTAL SUSTAINABILITY									
ENVIRONMENTAL SUSTAINABILITY	PR001391	NENE VALLEY PROJECTS: Delivery of Urban Study Projects	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.50	£2.00
		NENE VALLEY PROJECTS: Orton Fish & Eel Pass	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.80	£1.0
		NENE VALLEY PROJECTS: Coir Roll Installation	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.050	£0.20
		NENE VALLEY PROJECTS: Bluebell Wood Riverside Walk Access Enhancements	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.230	£0.250
	PR001423	NENE VALLEY PROJECTS: Boat Access Improvements	Environmental Sustainability	Medium Term (next 6 - 10 years)	No	No	No	£1.00	£5.00
	PR001397	WELLAND VALLEY PROJECTS: Maxey Cut Climate Change Resilience Project	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.50	£1.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
ENVIRONMENTAL SUSTAINABILITY	PR001654	WELLAND VALLEY PROJECTS: Welland Valley Partnership Habitat Creation Projects	Environmental Sustainability	Medium Term (next 6 - 10 years)	Yes	Yes	No	£0.50	£2.00
	PR001414	ACCESS PROJECTS: Access Routes from Peterborough to Great Fen	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£1.00	£2.00
	PR001406	ACCESS PROJECTS: Rights of Way Enhancements	Environmental Sustainability	Long Term (next 11 - 15 years)	Yes	Yes	No	£0.10	£2.0
	PR001412	ACCESS PROJECTS: Green Wheel Cycle Network	Environmental Sustainability	Medium Term (next 6 - 10 years)	Yes	Yes	No	£0.10	£0.50
	PR001426	SOUTH PETERBOROUGH GREEN PARKS: Visitor Attraction	Environmental Sustainability	Medium Term (next 6 - 10 years)	No	Yes	No	£1.00	£2.00
	PR001404	SOUTH PETERBOROUGH GREEN PARKS: Habitat Enhancements	Environmental Sustainability	Medium Term (next 6 - 10 years)	Yes	Yes	No	£0.10	£1.00
	PR001427	SOUTH PETERBOROUGH GREEN PARKS: Orton Pit Special Area of Conservation	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£1.00	£2.00
	PR001449	PETERBOROUGH FENS PROJECTS: Water for Farming & Wildlife (Fens for the Future)	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.075	£0.10
	PR001420	PETERBOROUGH FENS PROJECTS: RSPB Thorney Farmland Bird Friendly Zone	Environmental Sustainability	Short Term (next 1 - 5 years)	No	Yes	No	£0.02	£0.10
		PETERBOROUGH FENS PROJECTS: Destination Fens (Fens for the Future)	Environmental Sustainability	Short Term (next 1 - 5 years)	No	Yes	No	£0.050	£0.10
	PR001425	PETERBOROUGH URBAN GREEN INFRASTRUCTURE PROJECTS: Dogsthorpe Star Pit SSSI Extension/ Buffer	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£1.00	£5.00
		PETERBOROUGH URBAN GREEN INFRASTRUCTURE PROJECTS: Boardwalks LNR	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.050	£0.20
		PETERBOROUGH URBAN GREEN INFRASTRUCTURE PROJECTS: Peterborough Road Pond CWS	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.010	£0.50
		PETERBOROUGH URBAN GREEN INFRASTRUCTURE PROJECTS: GCN Habitat Connectivity Project	Environmental Sustainability	Short Term (next 1 - 5 years)	No	Yes	No	£0.050	£0.10

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
ENVIRONMENTAL SUSTAINABILITY	PR001652	FOREST FOR PETERBOROUGH	Environmental Sustainability	Short Term (next 1 – 5 years)	Yes	Yes	No	£0.10	£1.00
		JOHN CLARE COUNTRY PROJECTS: Barnack Hills & Holes SSSI extension	Environmental Sustainability	Medium Term (next 6 - 10 years)	No	Yes	No	£0.50	£1.00
	PR001447	JOHN CLARE COUNTRY PROJECTS: Calcareous Grassland and Heath Project	Environmental Sustainability	Medium Term (next 6 - 10 years)	No	Yes	No	£0.50	£1.00
	PR001451	GREEN GRID OFFICER	Environmental Sustainability	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.30	£0.50
	Total ALL Projects								£9.55
Total CIL/S106 Funded Projects								£8.55	£25.55
HEALTH AND WELLBEING	HEALTH AND WELLBEING								
		Awaiting Projects for Listing	Health and Wellbeing						
HEALTH AND WELLBEING				Total ALL Projects				£0.00	£0.00
				Total CIL/S106 Funded Projects				£0.00	£0.00
SKILLS AND EDUCATION	SKILLS AND EDUCATION								
	PR001365	Early Years Needs	Skills and Education	Short Term (next 1 - 5 years)	Yes	Yes	No	£2.50	£5.00
	PR001368	Paston Reserve 1 - Primary	Skills and Education	Short Term (next 1 - 5 years)	Yes	No	No	£6.00	£8.00
	PR001369	Paston Reserve 2 (Norwood) - Primary	Skills and Education	Medium Term (next 6 - 10 years)	Yes	No	No	£8.00	£10.00
	PR001370	Great Haddon 1 - Primary	Skills and Education	Medium Term (next 6 - 10 years)	Yes	No	Yes	£8.00	£10.00
	PR001371	Great Haddon 2 - Primary	Skills and Education	Long Term (next 11 - 15 years)	Yes	No	Yes	£8.00	£11.00
	PR001372	Great Haddon 3 - Primary	Skills and Education	Long Term (next 11 - 15 years)	Yes	No	Yes	£7.00	£8.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
SKILLS AND EDUCATION	PR001373	Hampton Leys 1 - Primary	Skills and Education	Short Term (next 1 - 5 years)	Yes	No	Yes	£6.00	£8.00
	PR001374	Hampton Leys 2 - Primary	Skills and Education	Medium Term (next 6 - 10 years)	Yes	No	Yes	£6.00	£8.00
	PR001379	Northern Embankment (Bishop Crighton/POSH) - Primary	Skills and Education	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£4.00
	PR001383	Norwood Secondary School	Skills and Education	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£20.00	£30.00
	PR001384	Great Haddon Secondary	Skills and Education		Yes	No	Yes	£30.00	£35.00
	PR001385	Special School Review	Skills and Education	Short Term (next 1 - 5 years)	Yes	Yes	No	£8.00	£15.00
	PR001386	PRU Review	Skills and Education		Yes	Yes	No	£5.00	£8.00
	PR001684	Hampton 2 Secondary School	Skills and Education	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£25.00	£30.00
	PR001686	Orton Wistow - Primary	Skills and Education	Short Term (next 1 - 5 years)	Yes	Yes	No	£1.00	£2.00
	PR001687	Woodston Primary School extension	Skills and Education	Medium Term (next 6 - 10 years)	Yes	Yes	No	£2.00	£3.00
	PR001388	University	Skills and education						
	PR001695	Discovery Primary School Phase 2	Skills and Education	Short Term (next 1 - 5 years)	Yes	Yes	No	£0.20	£0.30
	PR001708	Hampton College Phase 3	Skills and Education	Short Term (next 1 - 5 years)	Yes	No	Yes	£2.50	£4.00
	PR001710	St George's Primary School	Skills and Education	Short Term (next 1 - 5 years)	Yes	Yes	No	£5.00	£7.50

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
				Total ALL Projects				£153.20	£206.80
SKILLS AND EDUCATION				Total CIL/S106 Funded Projects				£139.20	£188.80
TRANSPORT									
TRANSPORT	PR001260	Smarter Choices - Travelchoice Centre (Queensgate)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.25	£1.00
	PR001262	Intelligent Transport Systems - UTMC	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£3.00
	PR001263	Intelligent Transport Systems - RTPi (linked to UTMC, Audio and Other Emerging Technology)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.50	£2.00
	PR001264	Primary Public Transport Corridor	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.90	£0.90
	PR001267	A15 Paston Parkway/A47 Soke Parkway Jn 20 Stage 1 Improvements	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£2.00	£5.00
	PR001272	Western Relief Road	Transport	Short Term (next 1 - 5 years)	No	No	Yes	£5.00	£10.00
	PR001273	Yaxley Bypass	Transport	Short Term (next 1 - 5 years)	No	No	Yes	£5.00	£10.00
	PR001276	Junction 17 (A1(M) / A1139 Fletton Parkway/A605) Improvements	Transport	Short Term (next 1 - 5 years)	No	No	Yes	£1.00	£5.00
	PR001277	A1139 Fletton Parkway Junction Improvements Junction 1	Transport	Short Term (next 1 - 5 years)	No	No	Yes	£1.00	£3.00
	PR001278	A15 Paston Parkway/A47 Soke Parkway Jn 20 Stage 2 Improvements	Transport	Medium Term (next 6 - 10 years)	No	No	Yes	£5.00	£10.00
	PR001280	Travel Plans (School, Business, Residential and Village/Rural)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£5.00
	PR001281	Travelchoice Centres (District Centres)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£2.00
	PR001282	Social Marketing / Research	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£3.00
	PR001283	New Technology - Advances in Technology and Best Practice (Smarter Choices)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£3.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
TRANSPORT	PR001284	Travelchoice Website	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.00	£0.03
	PR001285	Strategic Walking Network Expansion and Consolidation	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00
	PR001287	P&R - Cycle	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£3.00
	PR001288	Bourges Boulevard Pedestrian Crossings (Inc. DDA Link between Bus and Rail Stations)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.50	£5.00
	PR001291	Expansion of Pedestrianisation	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£10.00
	PR001292	Primary Cycle Network Expansion and Consolidation	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00
	PR001293	London Road River Bridge Phase III	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001294	South Bank Railway and River Footbridges	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£10.00	£15.00
	PR001295	Pedestrian and Cycle Bridge in Vicinity of Crescent Bridge	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£10.00	£15.00
	PR001297	Travelchoice Centre (Central Bus / Rail Information Centre)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£2.00
	PR001298	Integrated Transport Hub (Rail/Bus/Cycle)	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£1.00	£2.50
	PR001300	Extended Primary Public Transport Corridors (PPTC), Infrastructure and Services	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001302	Min. 10min Frequency and Additional Core Network	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£10.00	£15.00
	PR001304	Improve Rural Bus Service - Demand Responsive Service	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001305	Improve Orbital Bus Network	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001306	Improve Cross Boundary Bus Service	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
TRANSPORT	PR001307	Extend Timetable of Bus Services at Evenings and Weekends	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001308	Park and Ride - South	Transport	Medium Term (next 6 – 10 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001309	Park and Ride - Northern	Transport	Medium Term (next 6 – 10 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001310	Park and Ride - Eastern	Transport	Medium Term (next 6 – 10 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001311	Bus Priority Measures	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00
	PR001315	Car Park Strategy	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.25	£1.00
	PR001316	Potential for High Occupancy Vehicle Lanes (Inc. Longthorpe Parkway)	Transport	Short Term (next 1 - 5 years)	No	Yes	Yes	£0.30	£1.00
	PR001317	Potential for No Car Lanes	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.30	£1.00
	PR001318	Potential for Green Lanes (No Cars Except Low Emission)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.30	£1.00
	PR001319	Active Traffic Management (ATM)	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£5.00	£25.00
	PR001320	Variable Message Signs (VMS)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.30	£1.00
	PR001321	Park and Share	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£5.00
	PR001322	Electric Car Charging Points	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001323	Car Park Demand Management	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.30	£1.00
	PR001324	Crescent Bridge / Bourges Boulevard Improvements	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00
	PR001325	Rivergate Gyratory Improvements	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
TRANSPORT	PR001326	City Centre Improvements	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£3.00	£5.00
	PR001327	East Embankment - Boongate Dualling	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£10.00	£15.00
	PR001328	East Embankment - Fengate Capacity Improvements	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£10.00	£15.00
	PR001330	A1139 Fletton Parkway Junction A1(m) 17 - Jn 1 Widening	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00
	PR001331	A1139 Fletton Parkway Junction 1-2 Widening	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00
	PR001332	A1139 Fletton Parkway Junction Improvements Jn 2	Transport	Medium Term (next 6 - 10 years)	No	No	Yes	£1.00	£3.00
	PR001333	A1139 Fletton Parkway Junction Improvements Jn 3	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£1.00	£3.00
	PR001334	A1139 Fletton Parkway Junction Improvements Jn 3 - 3a	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£25.00	£30.00
	PR001337	A47/A15 Lincoln Road Jn 18 Improvements	Transport	Short Term (next 1 - 5 years)	No	Yes	Yes	£1.00	£3.00
	PR001338	A47/A15 Paston Parkway Jn 20 Improvements (Above A1073 Scheme)	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£5.00	£10.00
	PR001339	A15 Junction Improvements Jn 21	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.30	£1.00
	PR001340	Dualling of Paston Parkway Between Jn 22 and Glinton Roundabout (Jn 23)	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£10.00	£15.00
	PR001341	A15 Junction Improvements to Jn 23 Inc PT Priority	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£2.50	£5.00
	PR001342	Nene Parkway Widening - Jn 32 - 33 (With 50mph Speed Limit)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£2.50	£5.00
	PR001343	Nene Parkway Junction Improvements Jn 33	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£1.00	£2.50
	PR001344	A605 Stanground Bypass Dualling – Eastern End	Transport	Medium Term (next 6 - 10 years)	No	Yes	Yes	£10.00	£15.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)	
TRANSPORT	PR001345	Jn 68 Stanground Fire Station Improvements with PT priority	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£1.00	£3.00	
	PR001346	A47 Dualling Between A1 and Sutton	Transport	Long Term (next 11 - 15 years)	No	Yes	Yes	£15.00	£20.00	
	PR001347	A1 Wittering Junction Improvement	Transport	Short Term (next 1 - 5 years)	No	Yes	Yes	£10.00	£15.00	
	PR001348	Norwood Access and Wider Junction Improvements	Transport	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£5.00	£10.00	
	PR001349	A1073 Dualling Norwood to A47	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00	
	PR001350	Eastern Industries Access	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00	
	PR001351	Parnwell Way Dualling (As Part of Eastern Industries) Between Jn 8 and Jn 70	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£5.00	£10.00	
	PR001352	Freight Logistics - Quality Partnership	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£3.00	
	PR001353	Hybrid or Rail Trans Shipment	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.30	£1.00	
	PR001354	Consider Wider Use of River for Transport	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£0.30	£1.00	
	PR001355	HGV Only Lane (Inland Port Related)	Transport	Medium Term (next 6 - 10 years)	No	No	Yes	£0.30	£1.00	
	PR001357	Highway requirements associated with Level Crossing Closures/Enhancements (Woodcroft & Foxcovert Road)	Transport	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£10.00	£15.00	
	Total ALL Projects								£272.10	£507.93
	Total CIL/S106 Funded Projects								£272.10	£507.93
UTILITIES AND SERVICES	UTILITIES AND SERVICES (info from AW in 3 weeks)									
	PR001363	Eye - Up-rate Little Close sewage pumping station	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.40	£0.60	

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
	PR001453	Strategic off-site flood compensation	Utilities & Services	Medium Term (next 6 - 10 years)	Yes	Yes	Yes	£0.10	£1.00
	PR001456	Great Haddon - new water supply booster station	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.25	£1.00
	PR001457	Norwood - new water main from Glinton	Utilities & Services	Medium Term (next 6 - 10 years)	No	No	No	£4.00	£6.00
	PR001459	Flag Fen STW water re-use	Utilities & Services	Medium Term (next 6 - 10 years)	No	No	No	£80.00	£100.00
	PR001461	Station and Hospital Quarters - storage at River Lane combined sewer overflow	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.10	£0.80
	PR001462	Eye, Eye Green - Provide storage at Crowland Road sewage pumping station	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.20	£0.30
	PR001463	Hampton Leys - up-size foul sewer at Phorpres Way	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.15	£0.17
	PR001464	Northborough sewerage infrastructure improvement 1	Utilities & Services	Beyond 15 years	No	No	No	£0.44	£0.65
	PR001465	Northborough sewerage infrastructure improvement 2	Utilities & Services	Beyond 15 years	No	No	No	£0.90	£1.10
	PR001466	Eye, Eye Green - raise overflow weir to reduce flooding	Utilities & Services	Medium Term (next 6 - 10 years)	No	No	No	£0.08	£0.10
	PR001467	South Bank - Up-rate Peterborough Southern Area PS	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.50	£1.50
	PR001468	Stanground and RFI - up-rate Thistle Drive sewage pumping station	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£1.30	£1.70
	PR001469	Hampton Leys - up-rate London Road terminal pumping station	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.40	£0.60
	PR001470	Great Haddon - up-rate Orton Mere PS	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£0.40	£0.60
	PR001471	Great Haddon - new pumping station with 2.8km rising main at Orton	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£3.40	£3.90
TIES AND SERVI	PR001472	Flag Fen wastewater treatment works expansion	Utilities & Services	Medium Term (next 6 - 10 years)	No	No	No	£1.00	£5.00

Thematic Package	Project Code	Project Title	Thematic Package	Delivery Timescale	Is this project dependant on an element of PCC funding?	Does this project require Community Infrastructure Levy Funding?	Does this project require a S106 contribution?	Minimum Capital Cost (£million)	Maximum Capital Cost (£million)
	PR001474	Upgrade Peterborough Central 132/11kV Substation	Utilities & Services	Medium Term (next 6 - 10 years)	No	No	No	£3.00	£5.00
	PR001475	New Substation - Station Area	Utilities & Services	Long Term (next 11 - 15 years)	No	No	No	£4.00	£8.00
	PR001476	Upgrade Orton Primary	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£5.00	£6.00
	PR001477	New Substation, Great Haddon	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£6.00	£8.00
	PR001478	New Substation, Werrington Area	Utilities & Services	Long Term (next 11 - 15 years)	No	No	No	£6.00	£8.00
	PR001480	Upgrade Farcet Primary	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£2.00	£5.00
	PR001481	Upgrade Peterborough Central 132/33kV Substation	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£4.00	£7.00
	PR001482	Reinforce 132kV circuits between Peterborough Central and Peterborough North	Utilities & Services	Long Term (next 11 - 15 years)	No	No	No	£15.00	£18.00
	PR001491	Anaerobic Digestion Plant	Utilities & Services	Short Term (next 1 - 5 years)	Yes	Yes	No	£6.00	£10.00
	PR001494	Southern Householders Recycling Centre	Utilities & Services	Long Term (next 11 - 15 years)	Yes	Yes	No	£4.00	£6.50
	PR001496	Develop Bring Sites (per 800 dwellings)	Utilities & Services	Short Term (next 1 - 5 years)	Yes	Yes	Yes	£1.00	£5.00
	PR001673	Reinforce 33kV circuits Peterborough Central - Kings Dyke	Utilities & Services	Short Term (next 1 - 5 years)	No	No	No	£5.00	£6.00
	PR001674	Divert 132kV cables, Southbank North	Utilities & Services	Medium Term (next 6 - 10 years)	No	No	No	£1.00	£2.00
	PR001675	Underground 132kV line, Southbank South	Utilities & Services	Medium Term (next 6 - 10 years)	No	No	No	£3.00	£5.00
UTILITIES AND SERVICES				Total ALL Projects				£158.62	£224.52
				Total CIL/S106 Funded Projects				£11.10	£22.50
ADMINISTRATIVE COSTS (2% - 5% OF ESTIMATED ANNUAL CIL RECIEPTS)								£0.08	£0.15
GRAND TOTAL - ALL THEMATIC AREAS				GRAND TOTAL ALL PROJECTS				£681.86	£1077.25
				GRAND TOTAL CIL/S106 FUNDED PROJECTS				£519.34	£852.23

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Peterborough Community Infrastructure Levy

Draft Charging Schedule Viability Study

On behalf of **Peterborough City Council**



Project Ref: 26358-002 | Rev: -- | Date: April 2014



Document Control Sheet

Project Name: Peterborough Community Infrastructure Levy

Project Ref: 26358-002

Report Title: Draft Charging Schedule Viability Study

Doc Ref:

Date: April 2014

	Name	Position	Signature	Date
Prepared by:	JA	Planner		May 2013
Reviewed by:	MW	Senior Associate		May 2013
Approved by:	BG	LLP Director		May 2013
For and on behalf of Peter Brett Associates LLP				

Revision	Date	Description	Prepared	Reviewed	Approved

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1 Introduction

1.1 Introduction

1.1.1 Peter Brett Associates LLP (PBA) (formerly Roger Tym & Partners) was commissioned by Peterborough City Council (hereafter referred to as 'the Council') to provide specialist services for the development and preparation of a Community Infrastructure Levy (CIL) for the council.

1.1.2 Previously, the Council has prepared an consulted upon its Preliminary Draft CIL Charging Schedule (PDCS). Based on the comments received as part of the consultation on the PDCS and it's evidence base, further research and analysis has been undertaken. The evidence base has now been updated and this report supersedes and wholly replaces the Viability Study undertaken to inform the PDCS.

1.1.3 This report is structured in the following way.

- In Section 2 we set out the legal requirements that a CIL Charging Schedule must comply with. This work informs the rest of the report.
- Section 3 examines the planning and development context in order to ensure that CIL supports development. This work has important implications for the structure of the Charging Schedule.
- Sections 4 – 7 look at the viability of different kinds of development in different parts of Peterborough.
- Section 8 sets out analysis of the charge rate options then takes this analysis, and translates them into a recommended Draft CIL Charging Schedule (DCS)
- Section 9 details how the CIL Charging Schedule, if adopted by the Council, can be implemented taking into account exceptional circumstances, discretionary relief, instalment policy, administration charges, monitoring and review.

2 Legal Requirements

2.1 Introduction

2.1.1 The Community Infrastructure Levy (CIL) is a planning charge that came into force on 6 April 2010. The levy allows local authorities in England and Wales to raise contributions from development to help pay for infrastructure that is needed to support planned development. Local authorities who wish to charge the levy must produce a draft charging schedule setting out CIL rates for their areas – which are to be expressed as pounds (£) per square metre, as CIL will be levied on the gross internal floorspace of the net additional liable development. Before it is approved by the Council, the draft schedule has to be tested by an independent examiner.

2.1.2 The requirements which a CIL charging schedule has to meet are set out in:

- The Planning Act 2008 as amended by the Localism Act 2011.
- The CIL Regulations 2010¹, as amended in 2011², 2012³, 2013⁴ and 2014⁵.
- The CIL Guidance, which was updated in February 2014. The Planning Act 2008 gives the Government the power to issue CIL guidance to which authorities and examiners must have regard. This power gives particular weight to parts of the updated CIL guidance setting out what authorities should or must do.⁶

2.1.3 Below, we summarise the key points from these documents. The 2014 Regulations have altered key aspects of setting the charge for authorities who publish a Draft Charging Schedule for consultation under CIL Regulation 16 after they became law on 24 February 2014.

2.2 Striking the appropriate balance

2.2.1 The revised Regulation 14 requires that a charging authority '*strike an appropriate balance*' between:

- a) The desirability of funding from CIL (in whole or in part) the... cost of infrastructure required to support the development of its area... and
- b) The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

¹ http://www.legislation.gov.uk/ukdsi/2010/9780111492390/pdfs/ukdsi_9780111492390_en.pdf

² http://www.legislation.gov.uk/ukdsi/2011/9780111506301/pdfs/ukdsi_9780111506301_en.pdf

³ http://www.legislation.gov.uk/uksi/2012/2975/pdfs/uksi_20122975_en.pdf

⁴ http://www.legislation.gov.uk/uksi/2013/982/pdfs/uksi_20130982_en.pdf

⁵ http://www.legislation.gov.uk/uksi/2014/385/pdfs/uksi_20140385_en.pdf

⁶ DCLG (February 2014) Community Infrastructure Levy Guidance

- 2.2.2 By itself, this statement is not easy to interpret. The statutory guidance explains its meaning. A key feature of the 2014 Regulations is to give legal effect to the requirement in this guidance for an authority to ‘show and explain...’ their approach at examination. This explanation is important and worth quoting at length:

‘The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area. .

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.’⁷

- 2.2.3 In other words, the ‘appropriate balance’ is the level of CIL which maximises the delivery of development in the area. If the CIL charging rate is above this appropriate level, there will be less development than planned, because CIL will make too many potential developments unviable. Conversely, if the charging rates are below the appropriate level, development will also be compromised, because it will be constrained by insufficient infrastructure.
- 2.2.4 Achieving an appropriate balance is a matter of judgement. It is not surprising, therefore, that charging authorities are allowed some discretion in this matter. This has been reduced by the 2014 Regulations, but remains.. For example, Regulation 14 requires that in setting levy rates, the Charging Authority (our underlining highlights the discretion):

‘must strike an appropriate balance...’ ie. it is recognised there is no one perfect balance;

and the statutory guidance says

‘Charging authorities need to demonstrate that their proposed levy rate or rates are informed by ‘appropriate available’ evidence and consistent with that evidence across their area as a whole.’

and

‘A charging authority’s proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence There is room for some pragmatism.’⁸

- 2.2.5 The Statutory Guidance sets the delivery of development in the area firmly in the context of implementing the Local Plan. This is linked to the plan viability requirements of the NPPF, particularly paragraphs 173 and 174. This point is given emphasis throughout the Guidance. For example, in guiding examiners, the Guidance makes it clear that the independent examiner should establish that:

‘.....evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole.....’⁹

⁷ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2)

⁸ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:2:4)

⁹ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:5:5)

- 2.2.6 This also makes the point that viability is not simply a site specific issue but one for the plan as a whole.
- 2.2.7 The revised Regulation 14 effectively continues to recognise that the introduction of CIL may put some potential development sites at risk. The focus is on seeking to ensure development envisaged by the Local Plan can be delivered. Accordingly, when considering evidence the guidance requires that charging authorities should ‘*use an area based approach, involving a broad test of viability across their area*’, supplemented by sampling ‘*...an appropriate range of types of sites across its area...*’ with the focus ‘*...on strategic sites on which the relevant Plan relies...*’¹⁰
- 2.2.8 This reinforces the message that charging rates do not need to be so low that CIL does not make any individual development schemes unviable. The levy may put some schemes at risk in this way so long as, in aiming strike an appropriate balance overall, it avoids threatening the ability to develop viably the sites and scale of development identified in the Local Plan.

2.3 Keeping clear of the ceiling

- 2.3.1 The guidance advises that CIL rates should not be set at the very margin of viability, partly in order that they may remain robust over time as circumstances change:
- ‘...if the evidence pointed to setting a charge right at the margins of viability.....It would be appropriate to ensure that a ‘buffer’ or margin is included, so that the levy rate is able to support development when economic circumstances adjust.’¹¹*
- 2.3.2 We would add two further reasons for a cautious approach to rate-setting, which stops short of the margin of viability:
- Values and costs vary widely between individual sites and over time, in ways that cannot be fully captured by the viability calculations in the CIL evidence base.
 - A charge that aims to extract the absolute maximum would be strenuously opposed by landowners and developers, which would make CIL difficult to implement and put the overall development of the area at serious risk.

2.4 Varying the charge

- 2.4.1 CIL Regulations (Regulation 13) allows the charging authority to introduce charge variations by geographical zone in its area, by use of buildings, by scale of development (GIA of buildings or number of units) or a combination of these three factors. (It is worth noting that the phrase ‘use of buildings’ indicates something distinct from ‘land use’).¹² As part of this, some rates may be set at zero. But variations must reflect differences in viability; they cannot be based on policy boundaries. Nor should differential rates be set by reference to the costs of infrastructure.
- 2.4.2 The guidance also points out that charging authorities should avoid ‘*undue complexity*’ when setting differential rates, and ‘*...it is likely to be harder to ensure that more complex patterns of differential rates are state aid compliant.*’¹³

¹⁰ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:2:4)

¹¹ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:2:4)

¹² The Regulations allow differentiation by “uses of development”. “Development” is specially defined for CIL to include only ‘buildings’, it does not have the wider ‘land use’ meaning from TCPA 1990, except where the reference is to development of the area, in which case it does have the wider definition. See S 209(1) of PA 2008, Reg 2(2), and Reg 6.

¹³ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:2:6)

- 2.4.3 Moreover, generally speaking, '*Charging schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development*'; otherwise the CIL may fall foul of State Aid rules.¹⁴
- 2.4.4 It is worth noting, however, that the guidance gives an example which makes it clear that a strategic site can be regarded as a separate charging zone: '*If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area.*'¹⁵

2.5 Supporting evidence

- 2.5.1 The legislation requires a charging authority to use '*appropriate available evidence*' to inform their charging schedule¹⁶. The statutory guidance expands on this, explaining that the available data '*is unlikely to be fully comprehensive*'.¹⁷
- 2.5.2 These statements are important, because they indicate that the evidence supporting CIL charging rates should be proportionate, avoiding excessive detail. One implication of this is that we should not waste time and cost analysing types of development that will not have significant impacts, either on total CIL receipts or on the overall development of the area as set out in the Local Plan. This suggests that the viability calculations may leave aside geographical areas and types of development which are expected to see little or no development over the plan period.

2.6 Chargeable floorspace

- 2.6.1 CIL will be payable on most buildings that people normally use and will be levied on the net additional new build floorspace created by any given development scheme¹⁸. The following will not pay CIL:
- New build that replaces demolished existing floorspace that has been in use for six months in the last three years on the same site, even if the new floorspace belongs to a higher-value use than the old;
 - Retained parts of buildings on the site that will not change their use, or have otherwise been in use for six months in the last three years;
 - Development of buildings with floorspace less than 100 sqm (if not a new dwelling), by charities for charitable use, of homes by self-builders, and of social housing as defined in the regulations.

2.7 What the examiner will be looking for

- 2.7.1 According to the statutory guidance, the independent examiner should check that:
- The charging authority has complied with the requirements set out in legislation.
 - The draft charging schedule is supported by background documents containing appropriate available evidence.

¹⁴ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:2:6)

¹⁵ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:2:6)

¹⁶ Section 211 (7A) of the Planning Act 2008

¹⁷ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:2:4)

¹⁸ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Sections 2:1:1, 2:1:2 and 2:3:12)

- The proposed rate or rates are informed by and consistent with the evidence on economic viability across the charging authority's area.
- Evidence has been provided that shows the proposed rate or rates would not threaten delivery of the relevant Plan as a whole.¹⁹

2.8 Policy and other requirements

2.8.1 Above, we have dealt with legal and statutory guidance requirements which are specific to establishing a CIL. More broadly, the CIL Guidance says that charging authorities ‘...should consider relevant national planning policy when drafting their charging schedules. This includes the National Planning Policy Framework in England and Planning Policy Wales in Wales’. In addition, where consideration of development viability is concerned, the CIL Guidance draws specific attention to paragraphs 173 to 177 of the NPPF.²⁰

2.8.2 The only policy requirements which refer directly to CIL are set out at paragraph 175 of the NPPF, covering, firstly, working up CIL alongside the plan making where practical; and secondly placing control over a meaningful proportion of funds raised with neighbourhoods where development takes place. Since April 2013²¹ this policy requirement has been complemented with a legal duty on charging authorities to pass a specified proportion of CIL receipts to local councils, to spend it on behalf of the neighbourhood if there is no local council for the area where development takes place. Whilst important considerations, these two points are outside the immediate remit of this study.

2.9 Summary

2.9.1 To meet legal requirements and satisfy the independent examiner, a CIL charging schedule published as a Draft for consultation after 24 February 2014, when the 2014 Amendment Regulations become law should:

‘strike an appropriate balance’ between the need to fund infrastructure and the impact of CIL;
and

‘Not threaten delivery of the relevant plan as a whole’.

2.9.2 As explained in statutory guidance, this means that the net effect of the levy on total development across the area should be positive. CIL may reduce development by making certain schemes which are not plan priorities unviable. Conversely, it may increase development by funding infrastructure that would not otherwise be provided, which in turn supports development that otherwise would not happen. The law requires that the net outcome of these two impacts should be judged to be positive. This judgment is at the core of the charge-setting and examination process.

2.9.3 Legislation and guidance also set out that:

- Authorities should avoid setting charges up to the margin of viability.
- CIL charging rates may vary across geographical zones, building uses, and scale of development (and only across these three factors). But there are restrictions on this differential charging. It must be justified by differences in development viability, not by policy or by varying infrastructure costs; it should not introduce undue complexity; and it should have regard to State Aid rules.

¹⁹ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Section 2:2:5:5)

²⁰ DCLG (February 2014) *Community Infrastructure Levy Guidance* (Sections 2:2 and 2:2:1):

²¹ http://www.legislation.gov.uk/ukxi/2013/982/pdfs/ukxi_20130982_en.pdf

- Charging rates should be informed by 'appropriate available evidence', which need not be 'fully comprehensive'.
- 2.9.4 While charging rates should be consistent with the evidence, they are not required to 'mirror' the evidence. In this, and other ways, charging authorities have discretion in setting charging rates.
- 2.9.5 In our analysis and recommendations, we aim both to meet these legal and statutory guidance requirements and to maximise achievement of the Councils' own priorities, using the discretion that the legislation and guidance allow.

3 Planning and Development Context

3.1 Introduction

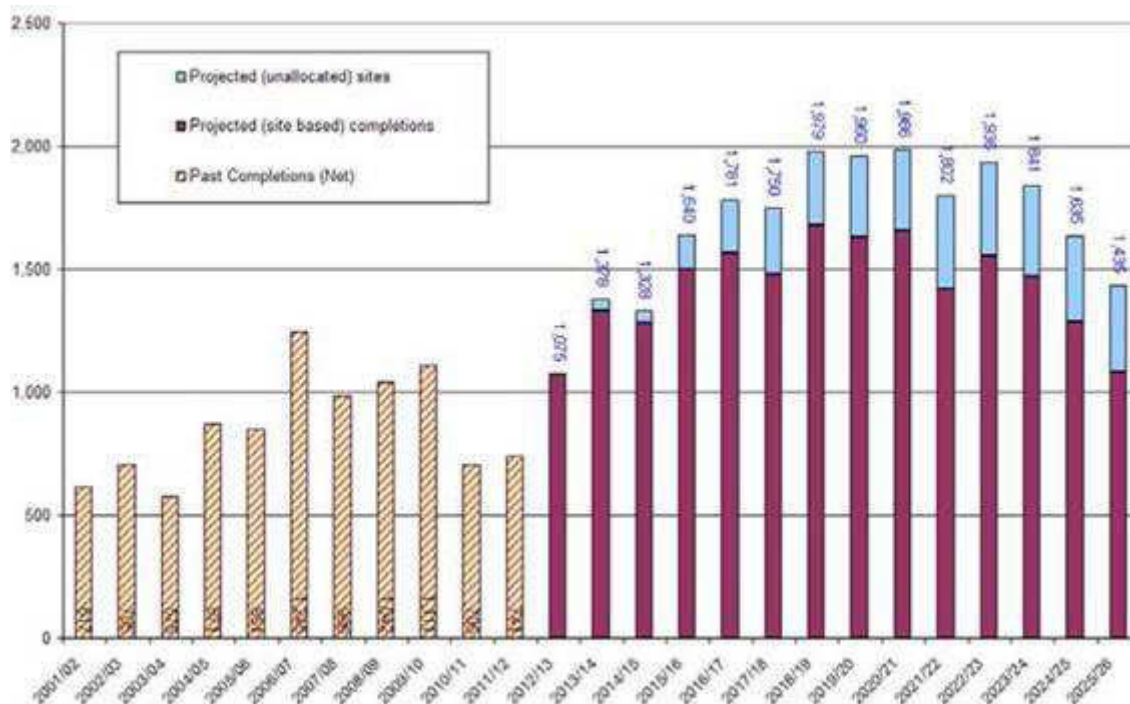
3.1.1 To help ensure that the CIL supports the development of Peterborough in general, and delivery of the city council’s priorities in particular, we need to understand the nature of this development and these objectives. In this chapter we therefore first review recent patterns of development – which provide a broad indication of what may happen in the future – and then review the objectives and proposals in the adopted Core Strategy.

3.1.2 At the end of this chapter, we look at the implications of this analysis for the charging schedule.

3.2 History

3.2.1 Patterns of past development provide one guide to the likely patterns of future development. Figure 3.1 below analyses the amount of net residential completions over the period 2001/2 to 2011/12 and also the projected completions for the remainder of the plan period.

Figure 3.1: Peterborough Housing Trajectory 2001/2 - 2025/26



Source: Peterborough Annual Monitoring Report (2012)

3.2.2 This data shows a relatively low level of completions in 2010/11 and in 2011/12, reflecting the downturn in the wider economy. Over the 5 years to 20-11/12, 4,556 net additional dwellings were completed. For the five years from 2012/13, the total number of units expected to be delivered in Peterborough is 7,202.

3.2.3 Tables 3.1 and 3.2 below show the net change in employment floorspace in Peterborough over the period 2007 – 2013 and the scale of unimplemented permissions for employment floorspace.

Table 3.1: Employment Floorspace change 2007 - 2013

Status	Office (B1a / B1b)		Industry (B1c-B8)		B1/B2/B8 Mixed		Total (B1-B8)	
	Area (ha)	Floorspace (m2)	Area (ha)	Floorspace (m2)	Area (ha)	Floorspace (m2)	Area (ha)	Floorspace (m2)
Completed (Gains) 1 April 2007 - 31 March 2013	10.47	31,656	19.65	91,636	4.83	22,560	34.95	145,852
Annual Average	1.75	5,276	3.28	15,273	0.81	3,760	5.83	24,309
Completed (Losses) 1 April 2007 - 31 March 2013	-8.69	-31,885	-14.03	-44,848	0	0	-22.72	-76,733
Annual Average	-1.45	-5,314	-2.34	-7,475	0.00	0	-3.79	-12,789
Net Change	1.78	-229	5.62	46,788	4.83	22,560	12.23	69,419
Annual Average	0.30	-38	0.94	7,798	0.81	3,760	2.04	11,570

Table 3.2: Unimplemented permissions for employment development

Status	Office (B1a / B1b)		Industry (B1c-B8)		B1/B2/B8 Mixed		Total (B1-B8)	
	Area (ha)	Floorspace (m2)	Area (ha)	Floorspace (m2)	Area (ha)	Floorspace (m2)	Area (ha)	Floorspace (m2)
Under Construction At 31 March 2013	1.01	6,331	18.68	28,925	0.00	0	19.69	35,256
Not Started – Full At 31 March 2013	1.23	13,500	21.25	77,456	50.30	185,660	72.78	276,616
Outline At 31 March 2013	1.29	6,000	23.14	98,720	46.3	297,303	70.73	402,023
<i>Sub Totals</i>	<i>3.53</i>	<i>25,831</i>	<i>63.07</i>	<i>205,101</i>	<i>96.60</i>	<i>482,963</i>	<i>163.20</i>	<i>717,213</i>
Losses Not Started At 31 March 2013	-0.37	-2,534	-4.42	-11,682	0.00	0	-4.79	-14,216
Net Totals	3.16	23,297	58.65	193,419	96.60	482,963	158.41	699,679

3.2.4 The scale of development of employment uses has been somewhat depressed in recent years as a result of the economic climate. Indeed, the amount of office floorspace has reduced slightly, although the level of industrial and mixed employment floorspace has increased by approximately 70,000 sq. m.

3.3 Future Development and the Core Strategy

3.3.1 The Peterborough Core Strategy was adopted in February 2011. Its key objectives are for sustainable development and growth that improves the quality of life for Peterborough's residents whilst providing a healthy, safe and exciting place to live, work and visit²².

3.3.2 The Core Strategy also makes provision for a significant level of growth over the period to 2026, including 25,450 new dwellings and 20,000 new jobs on 214.5 ha of employment land. It also notes, at Section 6.6, that *'The proposed levels of growth will place a significant burden on our existing infrastructure and services, and will require the provision of new and improved services and facilities'* and emphasizes the need to *'ensure that the provision of all the relevant supporting infrastructure is in place to help in the creation of sustainable communities'*.

²² The overall priorities for Peterborough can be summarised into three basic themes which set the context for the spatial strategy and policies that follow. **1.** Growth that is viable, deliverable and accompanied by appropriate infrastructure; **2.** Sustainable development that contributes to Peterborough's ambition to be the Environment Capital of the UK; **3.** Improvements in the quality of life of people and communities through new development, regeneration, the provision of services and facilities, and the protection and enhancement of our heritage and environmental assets.

- 3.3.3 The scale of housing growth in Peterborough will require a number of urban extensions. The Core Strategy allocates 4,100 dwellings to the Hampton Township, 1,500 to Stanground South, 1,200 dwellings at Paston Reserve, and identifies the areas of Norwood (2,300 dwellings) and Great Haddon (5,300 dwellings) as locations for new urban extensions.

3.4 Development Central to the Delivery of the Core Strategy

- 3.4.1 A review of the Core Strategy suggests that a number of development types are going to be critical to the delivery of the Core Strategy. These types of development will deliver the overwhelming majority of growth in Peterborough over the plan period. Below, we show what these uses are.
- 3.4.2 It is important not to focus on floorspace alone in this review. Some developments sought in the Core Strategy might not represent a very large slice of floorspace delivery, but might be very important local aspirations that deliver Peterborough's wider aspirations for its community and economy. We have therefore included these uses in our review.

Residential development

- 3.4.3 Core Strategy Policy CS2 plans for 25,500 additional dwellings to be delivered in Peterborough between 2009 and 2026.
- 3.4.4 The residential development strategy for Peterborough is for development to be focussed in the following locations:
- The City Centre;
 - In and adjoining the Urban Area of Peterborough;
 - The Rural Area; and
 - Small Villages
- 3.4.5 The majority of residential development over the plan period is to be focused in and adjoining the Urban Area of Peterborough. This area is expected to deliver approximately 20,100 dwellings.
- 3.4.6 Peterborough City Centre is identified to deliver, along with other uses, a total of 4,300 dwellings. The delivery of some 600 dwellings is allocated to the two Key Service Centres of Eye/Eye Green and Thorney. A further 450 dwellings will be divided between Ailsworth, Barnack, Castor, Glinton, Helpston, Newborough, Northborough and Wittering, which are identified as Limited Growth Villages.
- 3.4.7 As at April 2014, the Council had a residual housing requirement of some 21,309 dwellings reflecting 83.6 per cent of the overarching Core Strategy target. Of this residual requirement, there are sites with planning permission totalling 8,281 dwellings. Therefore, the potential requirement which may be subject to CIL is some 13,028 dwellings, less affordable provision.

Office and industrial development

- 3.4.8 Core Strategy Policy CS3 makes provision for the development of between 213 and 243 ha of employment land between April 2007 and March 2026.
- 3.4.9 The preferred economic growth scenario, 'Environment Plus', makes provision for employment growth of 24,600 jobs between 2001 and 2021. This is based on expansion of the environmental cluster, alongside growth of local trade and traditional business and other existing clusters. The employment growth envisages 11,000 jobs on employment land and

the remaining 13,600 jobs located in retail, education and health facilities etc. A high proportion of these jobs are expected to be in 'high end' professional occupations in senior roles such as management.

3.4.10 The Policy CS3 identifies a broad distribution of employment land as follows:

- Hampton - approximately 43 ha;
- Alwalton Hill - approximately 40 ha;
- Stanground South - approximately 5.5 ha;
- Great Haddon - approximately 65 ha;
- Norwood - approximately 2 ha;
- The City Centre - approximately 3.5 ha;
- Elsewhere within and adjoining the urban area of Peterborough - in the range of 51 to 81 ha; and
- Villages - approximately 3 ha.

3.4.11 The Core Strategy is underpinned by, amongst other things, the Employment Land Review²³ which concludes that there are sufficient sites available in Peterborough to deliver on its employment land needs.

3.4.12 The growth in B1 occupiers is envisaged to be largely from business, financial and professional services. The Employment Land Review suggests a focus on units in the size range 1,000 sq.m to 5,000 sq.m. The B2 requirement is shown to decline. However there may still be demand for new premises; new operations or upgrading with the bulk of demand likely to be in small and medium sized units on existing industrial estates. It also notes the trend in B8 requirements to large distribution units similar to the well located commitments at Gateway Peterborough and Pro-Logis' Kingston Park. These sites will generally be well located in relation to the parkway system and the A1.

Retail development

3.4.13 The Core Strategy, supported by the Peterborough Retail Study²⁴, identifies the amounts of convenience and comparison floorspace to be built in particular locations in Peterborough.

3.4.14 The study identifies significant capacity for additional comparison goods floorspace in Peterborough which should be directed towards the City Centre. There is forecast to be capacity to support a further 21,912 sq.m (net) comparison goods floorspace by 2016, rising to 55,383 sq.m (net) by 2021 and 94,206 sq.m (net) by 2026. The proposed North Westgate scheme in the city centre for a retail led mixed use development on land north of the Queensgate Centre would potentially absorb a significant proportion of the forecast capacity up to 2021.

3.4.15 Retail warehousing is identified as performing well across Peterborough. However it is recommended that retail capacity should be directed to the city centre and this should not be compromised by further out of centre development. Furthermore, given the timescales likely to be required in delivering the proposed North Westgate scheme, retail capacity should be protected in line with objectives and policies of the emerging Peterborough City Centre Plan.

²³ *Peterborough Employment Land Review* (2008)

²⁴ *GVA (2009) Peterborough Retail Study*

- 3.4.16 The study identified capacity of 556 sq.m (net) convenience floorspace by 2011, rising to 2,143 sq.m (net) by 2016, 4,372 sq.m (net) by 2021 and 6,664 sq.m (net) by 2026. Further convenience floorspace will be required to support the proposed urban extensions.
- 3.4.17 Both Great Haddon and Paston Reserve/Norwood are identified as proposed urban expansion areas where the development of retail floorspace will be required. The study recommends a new District Centre for Great Haddon anchored by a foodstore of some 1,890 to 3,780 sq.m (net). At Paston Reserve/Norwood it is recommended that a new local/neighbourhood centre is developed with convenience floorspace of between 1,150 and 2,300 sq.m (net).

Education, health and community facilities

- 3.4.18 There is expected to be a need for additional school places to accommodate growth, particularly in the proposed urban extensions. Core Strategy Policy CS5 identifies the need for the urban extensions at Great Haddon and Norwood to incorporate nursery and primary schools, alongside a secondary school on site if required, or contribution to off site provision.
- 3.4.19 In addition, the urban extensions at Great Haddon and Norwood should provide, amongst other things, community and health facilities to meet local needs without having an unacceptable impact on the vitality and viability of existing centres.

Hotels

- 3.4.20 While hotels are unlikely to generate large amounts of new floorspace, Core Strategy Policy CS18 supports the expansion of Peterborough's business tourism sector including the provision of high quality hotels and accommodation.

Theatres/Cinemas/Other Leisure

- 3.4.21 Whilst Peterborough benefits from two city centre theatres, the Core Strategy supports the development of a larger theatre which would attract larger shows and productions to the city. The Core Strategy also identifies a need for further leisure facilities in the city centre, including the provision of a cinema, potentially as part of the North Westgate scheme. The emerging City Centre Plan identifies the North Westgate area for a mix of uses, including leisure.

Uses less likely to come forward

- 3.4.22 Some uses are currently considered unlikely to come forward to a substantial degree over the plan period. These do not currently merit special treatment but will be kept under review. They are as follows:
- Hostels
 - Scrapyards
 - Petrol filling stations
 - Selling and/or displaying motor vehicles
 - Nightclubs
 - Launderettes
 - Taxi businesses
 - Amusement centres

- Casinos

3.5 Implications

3.5.1 We have shown above that the great majority of Core Strategy development is expected to fall within a limited number of development types. These development types will create the greatest amount of new floorspace in Peterborough over the plan period, or be strategically important to the broader objectives of the Core Strategy (hotel development falls into this category).

3.5.2 The most important development types are:

- Residential
- Office
- Light industrial
- Warehousing and distribution
- Convenience retail
- Comparison retail
- Education, health and community facilities

3.5.3 The above analysis suggests that we should focus the CIL evidence base on these types of developments, aiming to ensure that they remain broadly viable after the CIL charge is levied. As long as our viability evidence shows that these main components are deliverable, then we will pass this (central) element of the examination. However, we do *not* need to prove that *each and every* development in these categories will be deliverable: instead, we need to show that the main elements of these types of development are viable, when seen at a district-wide level.

4 Residential Viability Testing

4.1 Introduction

4.1.1 This section provides an overview of the residential property market in Peterborough. It also sets out the evidence for, and the details of, the assumptions we have made in respect of development archetypes, as well as the likely costs and revenues of development that feed in to our viability assessments.

4.2 Market Overview

4.2.1 Much of the recent residential development in Peterborough has been at locations within and adjoining the Peterborough Urban Area, with a number of major national house-builders bringing forward schemes, including Barratts' developments at St. Peter's Mede and Water's Reach and Persimmon's Cardea scheme, as well as developments by smaller regional housebuilders such as Larkfleet Homes.

4.2.2 Our analysis of houses currently being marketed in the area, included in the Technical Note that accompanies this report, suggests that four bedroom detached and semi-detached properties are the most predominant house types currently being developed, although 3-bed semis and townhouses of three and four bedrooms are also fairly common.

4.2.3 Only two apartments were being marketed at the time of our research, reflecting the difficulties in access to mortgage finance faced by the kind of first time/young house purchasers and buy-to-let investors that are likely to be attracted to such property. The knock-on effect of this has been difficulty in accessing development finance for apartment schemes, given the increased risk that sales will be both slower and at lower values.

4.2.4 In order to deliver Peterborough housing growth objectives the Core Strategy recognises that significant residential development will be required at the identified urban extensions of Hampton, Stanground South, Great Haddon, Paston Reserve and Norwood. Just over 1,000 of the 25,500 new homes to be built over the plan period are proposed outside of the Peterborough urban area in the outlying villages.

4.2.5 Figures 4.1- 4.4 below show how sales prices vary across Peterborough using Land Registry data from a three year period from January 2011 to January 2014 to provide a statistically robust data set. Achieved house prices are averaged at a ward level, outliers are then removed and each ward is then re-averaged and banded. The results are presented separately for each house type, so that the data is not skewed by an over-representation of a particular house type. Larger versions are provided at Appendix A.

Figure 4.1: Sales Value Heat Mapping - Detached

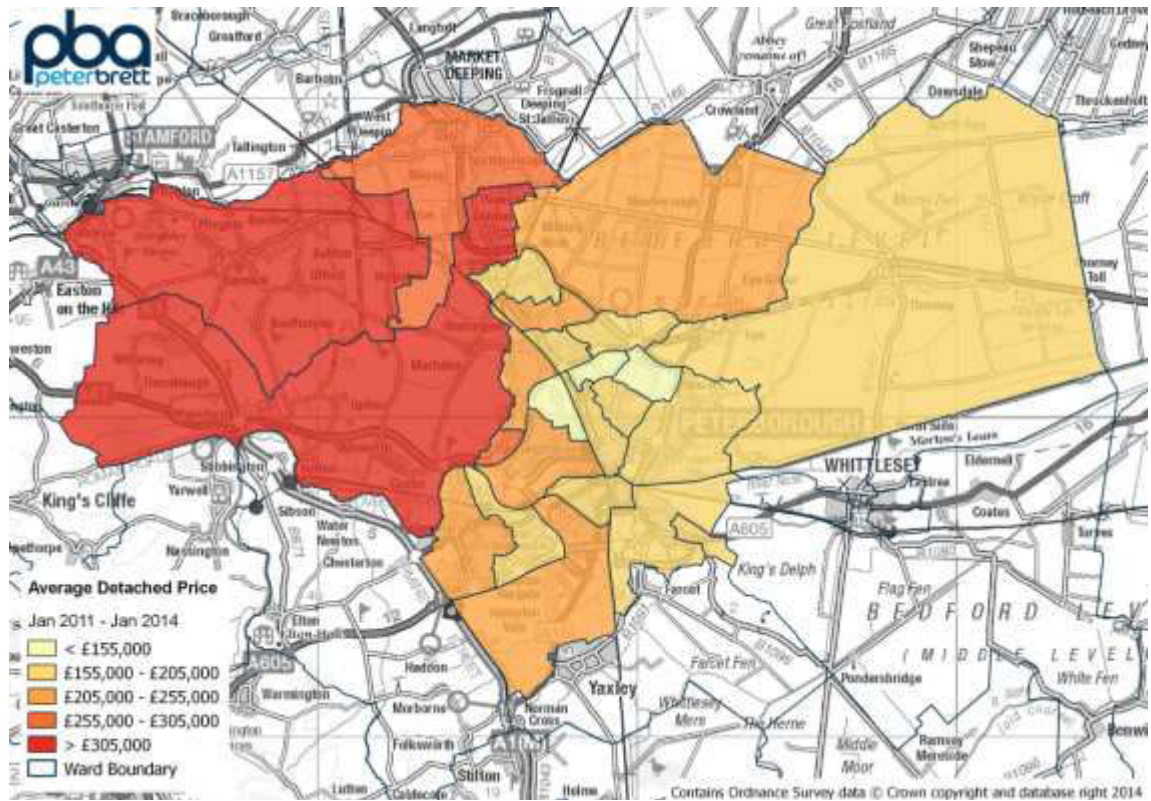


Figure 4.2: Sales Value Heat Mapping – Semi-detached

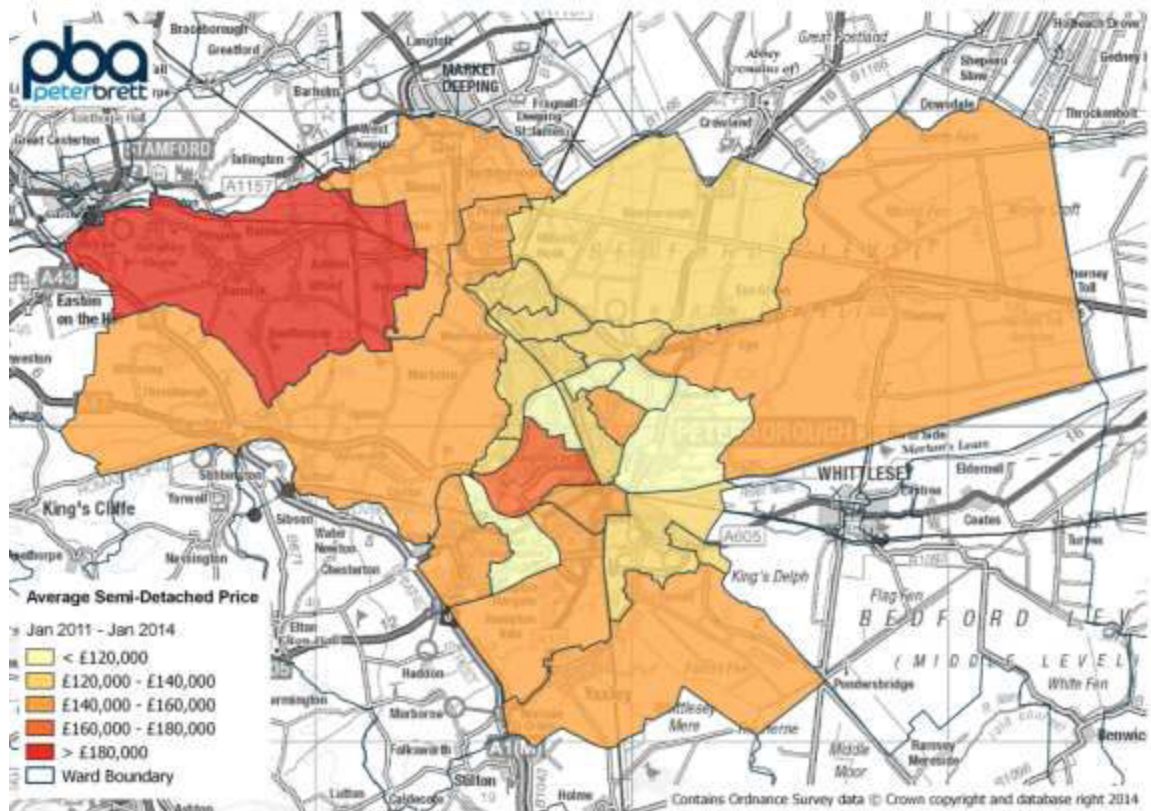


Figure 4.3: Sales Value Heat Mapping - Terraced

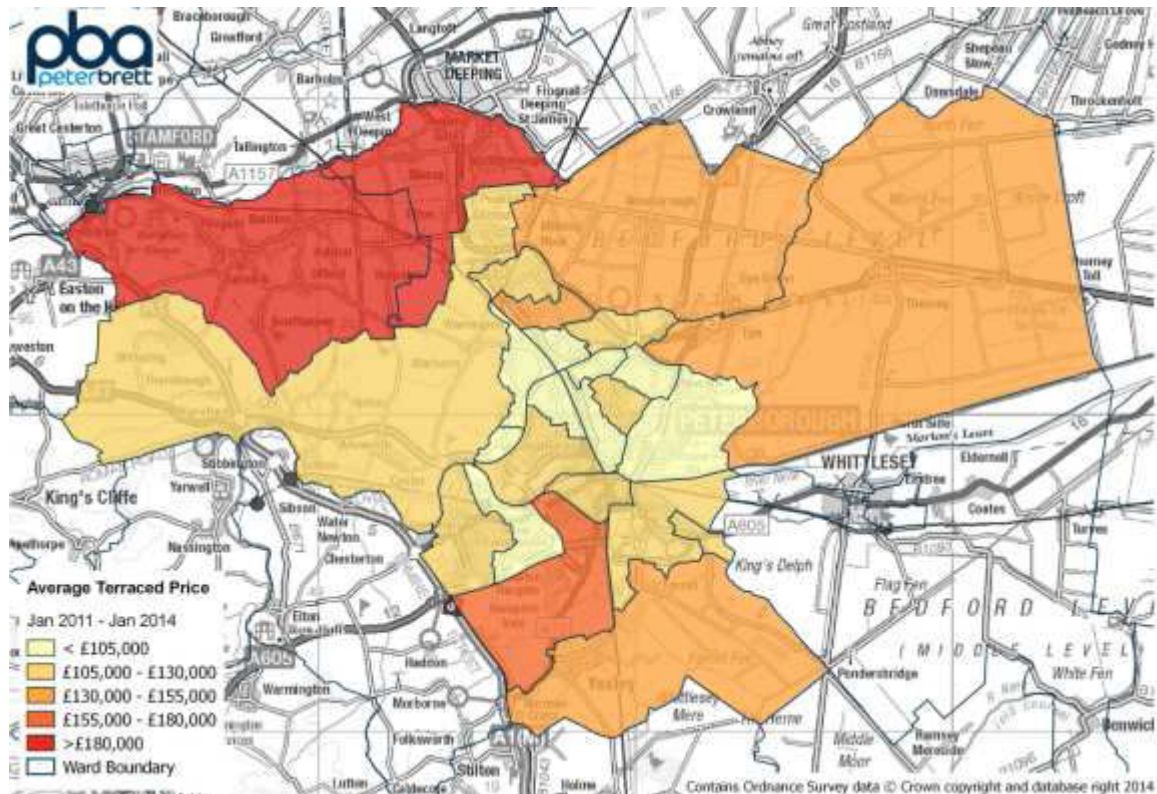
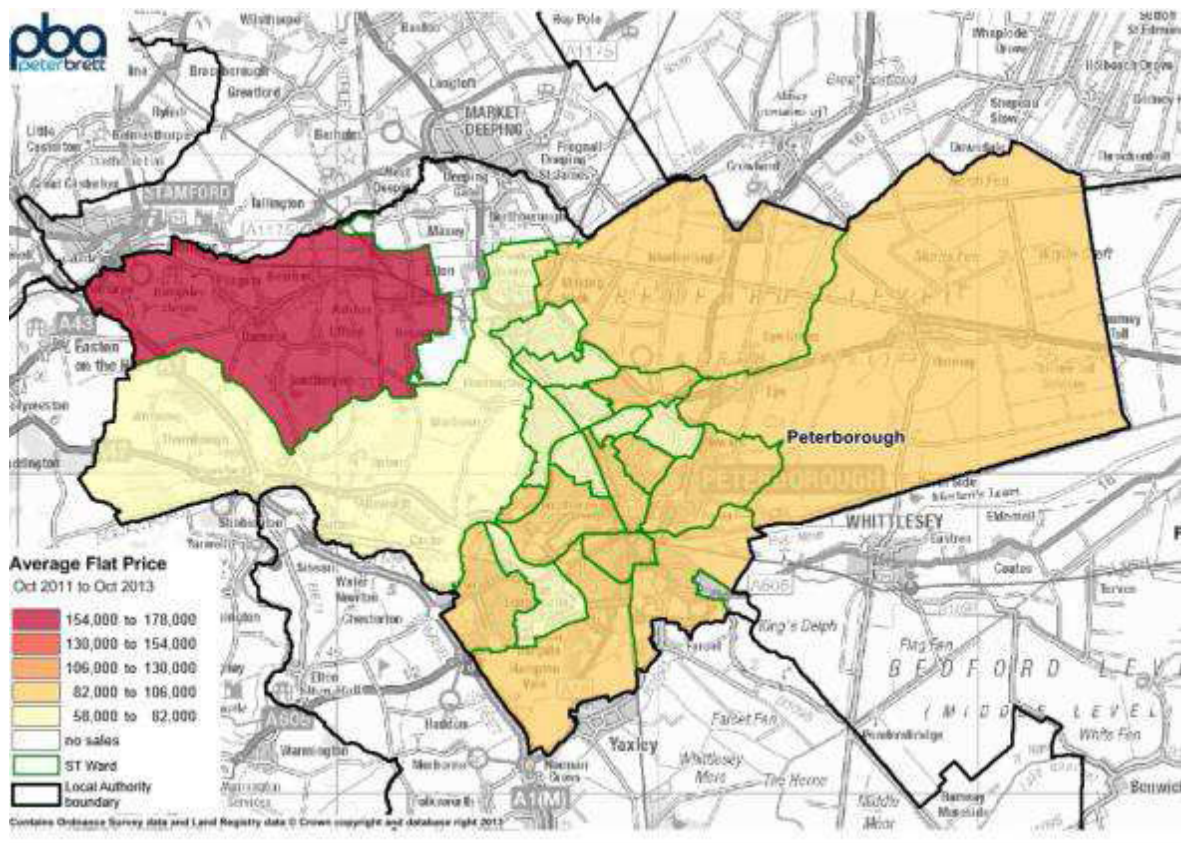


Figure 4.4: Sales Value Heat Mapping – Apartments

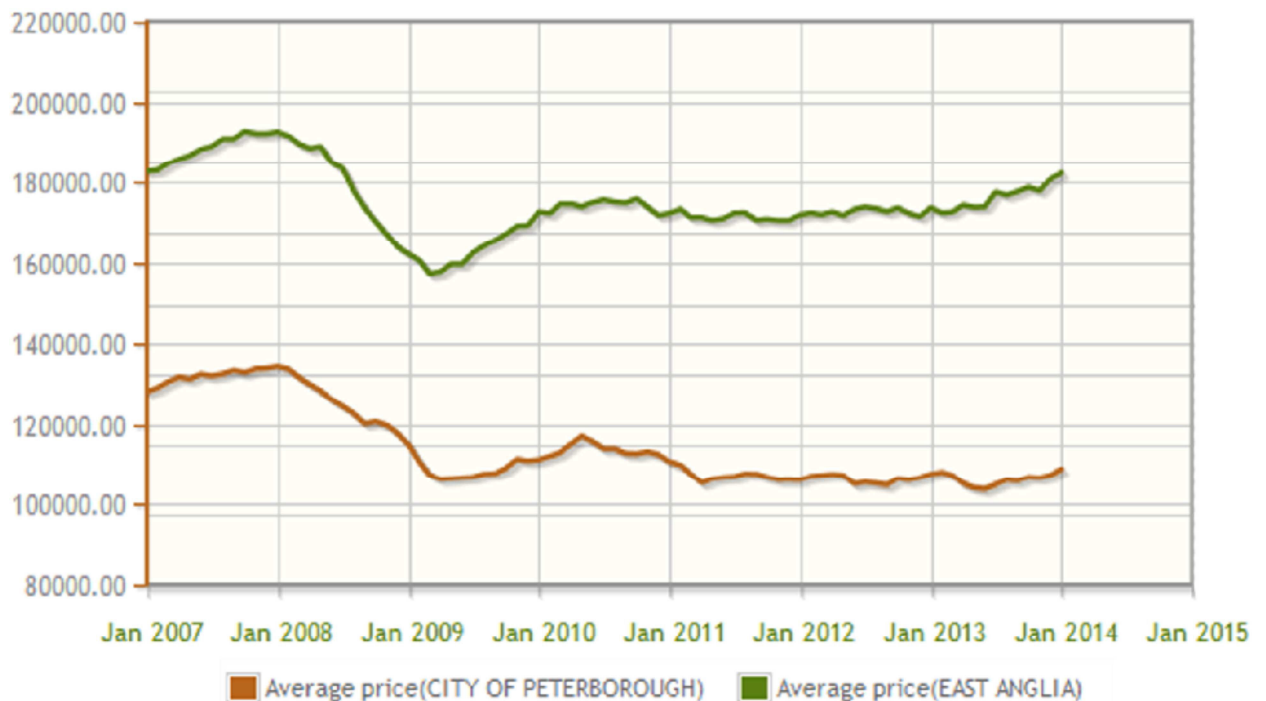


- 4.2.6 The sales value heat mapping presented above does seem to show a pattern of areas with consistently higher values and those with consistently lower values. For example, the three wards to the west of the area have consistently higher values, whilst the central area appears to have consistently lower values.
- 4.2.7 Guidance states 'Charging Authorities can set differential levy rates for different geographical zones provided that those zones are defined by reference to the economic viability of development within them.'²⁵ This evidence, if supported by the viability assessments could provide the rationale and necessary evidence base for charge variation by zone in Peterborough.

4.3 Market Trends and Trajectory

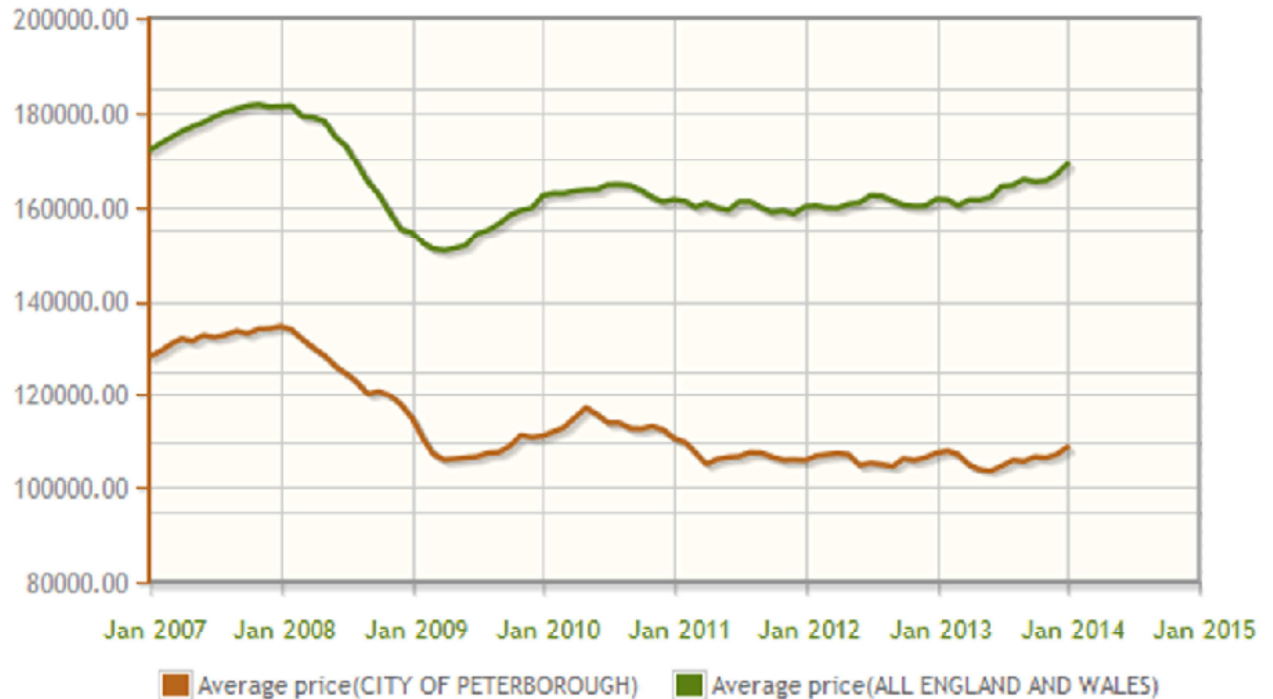
- 4.3.1 Figures 4.5 and 5.6 below shows average house prices in Peterborough, relative to the average for East Anglia as a whole and England and Wales since 2007.

Figure 4.5: Average House Prices – Peterborough and East Anglia



²⁵ DCLG (December 2012) *CIL Guidance* (para 34)

Figure 4.6: Average House Prices – Peterborough and England & Wales



- 4.3.2 It is clear from the above, that average house prices in Peterborough are below the national and regional averages, although there has been a steady improvement since mid-2013. The peak of the recent market cycle in Peterborough was in early 2008, a few months later than that for England and Wales as a whole. Values were lowest in Peterborough in the second quarter on 2013, whereas the trough for both East Anglia and nationally was in early 2009.
- 4.3.3 Looking forward, the latest projections of house prices prepared by Savills in their Residential Property Focus (Q4 2013), shown below, suggests that values will increase significantly over the next two years across the East of England as a whole, growing at 7% in 2014, 6% in 2015, and decreasing slowly to 4% by 2018.
- 4.3.4 For the purposes of CIL charge setting, it is current market conditions that must be the primary consideration. However, we have also sought to ‘future-proof’ this analysis to some extent by considering several sales value scenarios. These are discussed and set out below but can be considered to reflect a reference case current market conditions scenario, and scenarios around it that broadly reflect both better and worse locations in Peterborough under current market conditions, and how values could change in future.

Figure 4.7: Savills Residential Values Forecast

	Forecast					
	2014	2015	2016	2017	2018	5yrs to end 2018
UK	6.5%	5.0%	4.5%	4.0%	3.0%	25.2%
London	8.5%	6.0%	4.0%	2.0%	2.0%	24.4%
South East	7.0%	6.5%	6.0%	5.0%	4.0%	31.9%
South West	7.0%	6.0%	5.5%	4.5%	3.5%	29.4%
East of England	7.0%	6.0%	5.5%	5.0%	4.0%	30.7%
East Midlands	6.0%	5.0%	4.5%	4.0%	3.0%	24.6%
West Midlands	6.0%	4.5%	4.0%	4.0%	3.0%	23.4%
North East	5.0%	4.0%	3.0%	3.0%	2.0%	17.6%
North West	5.5%	4.5%	3.0%	3.0%	2.0%	19.3%
Yorks & Humber	5.0%	4.5%	3.5%	3.5%	2.5%	20.5%
Wales	6.0%	4.0%	3.5%	3.5%	2.5%	21.0%
Scotland	4.5%	4.5%	3.5%	3.5%	2.0%	19.3%

Source: Savills Residential Property Focus (Q4 2013)

4.4 Approach to Assessing Viability

- 4.4.1 Viability assessment is at the core of the charge-setting process. The purpose of the assessment is to identify charging rates at which the bulk of the development proposed in the Development Plan is financially viable, in order to ensure that the CIL does not put at risk the overall development planned for the area.
- 4.4.2 PBA has a bespoke excel-based model for assessing the viability of residential development as part of CIL studies. The model takes as its basis a hypothetical hectare of land and allows us to assess the value of a development by reference to the density of development, the proportion and type of affordable housing, the size of houses and typical sales values being achieved.
- 4.4.3 The model also enables us to input the cost of acquiring the land and to calculate all the other principal costs associated with development, including construction costs, fees, contingency and finance costs, amongst others.
- 4.4.4 Following consultation on the original study, representations were received with regard to the assumptions made in testing residential viability and the outcomes of those assessments. Taking account of these representations (where supported by evidence), we have made revisions to our assessments and updated key data analysis and the assumptions.
- 4.4.5 We have also applied a revised model for the purposes of this assessment that allows more detailed and refined residual value assessments to be undertaken. The revised model differs somewhat in that the 'developer's margin' is an input to the model and the output is a residual land value, rather than the previous model that assumed land values as an input to the model, with the output being a residual level of profit.
- 4.4.6 No standard assumptions are made by the model, so that each appraisal is entirely bespoke. Assumptions are inputted with respect to:

- The proportion of the site that is developable for housing (i.e. not required, for example, for open space, infrastructure or other non-housing requirements);
- The density of development and the mix between houses and apartments;
- The level of affordable housing and the mix of shared ownership, affordable rented and social rented;
- The average size of houses and apartments;
- Build cost per sq.m;
- Sales value per sq.m;
- Sales rates
- Land price per gross hectare (including associated purchase costs);
- Typical s.106 costs;
- Costs for secondary infrastructure;
- Professional fees;
- Costs of sales and marketing; and
- Finances costs.

4.4.7 At this stage, any potential CIL charge has been excluded from our assessment; however we do make an allowance for residual s.106 which will still apply after the adoption of the CIL charging schedule. The potential level of contributions is discussed separately below.

4.4.8 As mentioned above, the model allows each variable to be changed to assess different development and market scenarios. In total, 15 separate scenarios applying different combinations of assumptions with respect to land price; sales values per sq. m; site size and development characteristics were tested. In addition, we have also sought to test the viability of those strategic sites within Peterborough that do not already benefit from planning permission. These assessments are based on the information currently available on the scale and nature of development likely to take place.

4.5 Key Assumptions

4.5.1 Common to both residential and non-residential assessments is the need to gather robust market data – any assessment of viability can only be as good as the assumptions (and the information they are based on) that go into it. This section of the report also, therefore, sets out the sources of information that have informed the assumptions that underpin the viability assessments, along with the assumptions themselves.

4.5.2 Our calculations use 'readily available evidence', which has been informed and adjusted by an assessment of local transactions and market demand. This kind of strategic viability assessment involves a high degree of generalisation. Therefore the assumptions adopted in this assessment are intentionally cautious and in most circumstances the approach will return a more conservative estimate of what is viable and what is not, than might be expected on the basis of anecdotal information on the price paid for development sites in the past and Land Registry reports. This is an important point to bear in mind later when it comes to debating what is considered an 'appropriate balance'.

Information Sources

- 4.5.3 Information on the per sq. m values of new residential development was gathered through an analysis of new properties that are currently for sale. Information on the price and size of new houses and apartments was gathered and used to determine a value per sq. m for each dwelling, taking account of typical levels of discounting from asking prices. These per sq. m values could then be averaged and used as the basis for analysis of differences between areas and development types. The sources of this information included the website of developers themselves and other websites that focus on selling newly built residential property such as Rightmove, smartnewhomes.com and newhomesforsale.co.uk.
- 4.5.4 In addition to this, we also undertake in-depth analysis of the Land Registry data on residential sales prices. This gives achieved sales values broken down by dwelling type and enables us to isolate 'new-build' houses from re-sales. It does not, however, provide information on floorspace and as such we use our analysis of properties currently being developed to inform assumptions on the average floorspace of each house type. In turn, this enables us to draw conclusions of achieved sales values on a per sq. m basis.
- 4.5.5 Information on construction costs for residential development was gathered from the Building Cost Information Service (BCIS). Our build costs assumptions are considered to cover realistic costs for current building regulations requirements, although costs may alter in future.
- 4.5.6 Based on the findings from these sources, we arrived at initial conclusions with respect to each of the assumptions. These were then tested through a range of formal and informal consultations with a number of local house-builders and agents and revisions/additional scenarios were made to reflect comments received, where it was justified by evidence to do so.

Consultation

- 4.5.7 An integral part of the CIL process is to engage with stakeholders that have an active interest in the area, as well as those individuals who have an in-depth knowledge of the area in terms of values and so on. To date, two methods of consultation have taken place.
- 4.5.8 The first has been a series of informal telephone consultations with residential agents, commercial agents and developers. These were carried out at a relatively early stage in the project, to help us corroborate (or give cause to amend) our initial assumptions, based on analysis of transactional and other market data.
- 4.5.9 The second method was a more formal 'stakeholder workshop' for developers, agents, registered providers and other interested parties. The workshop was focussed around a presentation which set out the approach to the viability assessments and the assumptions that underpin them. Discussions took place in respect of each key assumption and adjustments were made to some assumptions following the workshop, where appropriate evidence was provided to warrant doing so.

Land Acquisition Cost

- 4.5.10 Clearly, the value of a specific piece of land to a developer will vary significantly from one site to the next as a result of its unique characteristics, including:
- Size and shape;
 - Topography and ground conditions;
 - Location and potential sales values;
 - Capacity of and ease of connection with surrounding infrastructure e.g. local utility networks;

- Whether the site is allocated in an adopted development plan and/or benefits from a suitable planning permission; and
- The nature of any planning permission and the level of any developer contributions that can reasonably be expected.

- 4.5.11 As such, it is inadvisable to be drawing detailed conclusions based on comparable evidence in isolation without: firstly a reasonable volume of transactions from which to consider averages and trends; and secondly without very detailed information on each of the transactions themselves that may help to explain why a particular value was achieved in that case.
- 4.5.12 Whilst our assessments seek to test a range of likely market conditions evident within Peterborough, we also seek to ensure that, as far as is possible in all other respects, we are comparing like with like. Therefore, our assumptions in terms of land are that all sites will be cleared and remediated (if they are brownfield) and fully serviced parcels (if they are greenfield) so that in either scenario they are readily developable. For sites that are not in this condition, these costs would be subtracted from the gross land value in the offer that any rational developer would make to a landowner in any case. This approach reflects what happens in practice in land transactions and is an approach that has been found sound in examinations elsewhere.
- 4.5.13 We have gathered details on comparable residential land transactions in the area. This information has informed our assumptions in respect of land values, but was provided on a confidential basis and as such cannot be included as part of this report.
- 4.5.14 In respect of residential development land prices/values, we also took account of recent Valuation Office Agency (VOA) reports covering this issue. In July 2009, the VOA's assessment of residential land value in Peterborough was £1.4m per ha. More recent data from the VOA is only available for the larger conurbations including Cambridge (£2.9m per ha in January 2011) and Norwich (£1.6m per ha in January 2011). The latest VOA data suggests that residential land values in the East of England have declined in the region of 20 to 40 per cent since July 2009. Applying that reduction to the stated 2009 values for Peterborough suggests values of £840,000 - £1.12m per ha. This data must be qualified, however, as it is unclear what level of affordable housing or other policy costs are taken into account in arriving at the values. As such, they should be treated with some caution.
- 4.5.15 As a further layer of analysis, we have considered existing and alternative use values and the uplift factors/multipliers that can be applied to them to inform conclusions on residential land values. Of course, it is difficult to generalise about existing or alternative use values across a whole local authority, but we have sought to consider the principal uses that may be relevant.
- 4.5.16 Some of the land on which new residential development will take place is likely to be agricultural. The VOA's 2011 Property Market Report indicates that the highest average value agricultural land in Cambridgeshire is worth approximately £18,500 per hectare. In order to inform residential land values, a multiplier of c15 times agricultural values, plus the cost servicing the sites is often applied. This would give residential land values in the region of £630,000 per ha.
- 4.5.17 An alternative use for some sites being considered for residential development is for employment development. The 2009 VOA Property Market Report states that employment land in Peterborough typically has a value of £550,000 per ha. The most recent data (only available for Cambridge and Norwich) suggest there has been little movement in employment land values since 2009, with values in Cambridge having fallen slightly and values in Norwich having risen slightly. An uplift of c30% over this alternative use value is often as a proxy for considering residential land values. Assuming consistent values for Peterborough since 2009, this suggests residential land values of £715,000 per ha.
- 4.5.18 We have also sought to complement this information through consultation with local land agents and developers and has provided us with a qualitative information on current perceptions in the local development industry of prevailing residential land values in Peterborough. These consultations

have revealed that residential land values in Peterborough are generally considered to range between £0.6m per ha and £1.1m per ha, net of policy costs and abnormals.

- 4.5.19 In coming to a view on the net land values (a figure net of policy requirements and so on), we have also taken into account our knowledge of other comparable locations in the sub-region and the residential values being achieved there and their relative strength or weakness as a residential location in comparison to Peterborough.
- 4.5.20 Based on all of the above, we have assumed the following land values:
- £700,000 per net developable ha in low value areas;
 - £900,000 per net developable ha in the mid value areas; and
 - £1.1m per net developable ha in the higher value areas.
- 4.5.21 For the purposes of the appraisals, land values have been increased for the 0.25ha models based on the fact that there is generally a premium on smaller sites. The values assumed are increased by 10% over the figures assumed for 1 ha scenarios. Similarly, there are inherently greater risks involved in developing larger sites and, as such, somewhat lower land values should be assumed. A reduction of 10% was applied.
- 4.5.22 It is clear that these assumed values are higher than those of the existing/alternative uses considered above, and is likely to provide a more than adequate return to motivate a reasonable landowner to sell. We consider that these assumptions reflect what a readily developable residential site might achieve in current market conditions given a reasonable seller and a reasonable buyer.
- 4.5.23 Notwithstanding the above, it is clear that some sites, including the larger sites identified in the adopted Core Strategy, will have high levels of abnormal development costs related to remediation and infrastructure issues. It is not the role of planning policy to make provision for specific interests to ameliorate the costs associated to their own use of their land in order to ensure it can be profitably developed.

Sales Values

- 4.5.24 In order to establish typical sales values in Peterborough, we undertook a detailed review of new-build housing that is currently on the market in the city. Information on the asking price and size of new houses and apartments was gathered and used to determine a value per sq. m for each dwelling. These per sq. m values could then be averaged and used as the basis for analysis of differences between areas and development types. Following consultation on the PDCS, we have refreshed and updated this exercise.
- 4.5.25 The assessment of new build houses currently on the market revealed asking price values within a broad range between £1,400 per sq. m and £2,900 per sq. m, although more commonly between £1,700 and £2,600 per sq. m. The average asking price houses in the most recent data was £2,009 per sq. m. This compared to £2,080 in the previous data. However, the latest data included a large proportion of 3-storey townhouses which are known to have lower sales values on a per sq. m basis, as well as lower build costs. Similarly, a small number of bungalows are also currently being marketed. These tend to have above average sales values and build costs on a per sq. m basis. Excluding both of these, average asking prices shown by the current data are £2,117 per sq. m.
- 4.5.26 Taking the two sets of data together, the average asking price for 2 storey houses is £2,132 per sq. m. It is important to note that that these figures are based on asking prices and it is typical that some level of discounts will be offered to buyers. Discounts are typically around 5%, but can be as much as 10% off the asking price. Applying a 5% discount from the average house asking price above gives a likely average achieved price in the region of £2,025 per sq. m.

- 4.5.27 The average asking price for apartments in Peterborough, combining the two data sets, is £2,164 per sq. m. Applying a 5% discount to this figure suggests apartment values in the region of £2,056
- 4.5.28 Due to the relatively low levels of new build properties currently being marketed, we have also taken into account Land Registry data for achieved sales prices on newly built homes. Our analysis of this data suggests that on the basis of our assumed property sizes, as shown below, suggests the following values averaged for each house type:
- Detached (based on average unit size of 120 sq. m) – £2,043 per sq. m
 - Semi-detached (based on average unit size of 90 sq. m) – £ 1,918 per sq. m
 - Terrace (based on average unit size of 80 sq. m) – £ 2,100 per sq. m
 - Flat (based on average unit size of 45sq. m) – £2,187 per sq. m
- 4.5.29 It is worthy of note that detached housing is by far the most common, with a total of 254 transactions noted over the two year period to the end of October 2013. There were 180 new-build terraced house transactions and 138 semi-detached transactions over the same period. A weighted average across the three house types suggests sales values of £2,031 per sq. m.
- 4.5.30 Based on our analysis of both new-build comparables currently on the market (allowing for discounts from asking prices) as well as of Land Registry data for new-build properties (assuming an average size for each dwelling type), we have drawn out three sales value scenarios that reflect the range of market conditions in Peterborough. For houses these scenarios are as follows:
- Lower value scenarios – £1,900 per sq. m
 - Moderate value scenarios - £2,050 per sq. m
 - Higher values scenarios - £2,200 per sq. m
- 4.5.31 The equivalent value scenarios of apartments are:
- Lower value scenarios – £2,000 per sq. m
 - Moderate value scenarios - £2,150 per sq. m
 - Higher values scenarios - £2,250 per sq. m

Build costs

- 4.5.32 There are a number of further assumptions that need to be included in the assumptions that complete the inputs into the viability modeling used. An important input is the build costs associated with bringing forward a new residential development, for this we utilise the Build Cost Information Service (BCIS) database which provides build cost data that is indexed for specific locations. The figures are correct for Peterborough as of December 2013.
- 4.5.33 The basic build cost used for houses is £845 per sq. m. This reflects the BCIS mean average figure for 'Estate Housing Generally' (£843 per sq. m) as well as the median average for 2 storey estate housing (£844 per sq. m). We consider that this figure reflects the cost implications of current building regulations. On top of this, we make allowances for external works at 10% and contingencies at 5%.
- 4.5.34 On top of this, we have added £10 per sq. m to market housing build costs in moderate value scenarios to reflect the higher specification, and a further £10 per sq. m in higher value scenarios. In

respect of larger site scenarios (5ha), we have assumed a saving of 2.5% on build costs as economies of scale are reflected in tender prices.

Development Characteristics

4.5.35 Another key assumption to take into consideration when carrying out development viability modeling is the development densities. This will enable the total developable floorspace to be calculated and therefore the cost values and the sales values of the hypothetical development schemes. The densities have been broken down by reference to the nature of development likely to take place in different parts of Peterborough. In order to meet market demands, it is reasonable to assume that smaller houses will be built at slightly higher densities in lower value areas, whilst lower density larger houses are more likely in higher value areas. Clearly, in the town centre we would expect apartments to be the predominant dwelling type. The assumed densities are as follows:

- Lower value scenarios – 38 dph and 100 sq. m average dwelling size
- Moderate value scenarios – 34 dph and 110 sq.m average dwelling size;
- Higher value scenarios – 30 dph and 120 sq. m average dwelling size;
- Affordable dwellings (all scenarios) - 75 sq. m average dwelling size
- Apartments – 80dph and 55 sq. m in low value, 60 sq. m in moderate and 65 sq. m in high value scenarios.

Policy Costs

4.5.36 The proportion of affordable housing has a significant impact on development viability. Typically, developers will realise between 40% and 70% of the full market value for the affordable units they build, which is usually less than they cost to build. This means that they have a negative impact on the viability of development, coming off the 'bottom line' in the same way that Developer Contributions would. In addition, any land that is used to provide affordable housing is land that has been paid for but cannot be used for market housing to generate value.

4.5.37 The policy requirement for affordable housing is 30% of units, split between social rented and shared ownership at 70% and 30% respectively. This level of provision has been factored in to the viability assessments. We have attributed value to the affordable units at a blended rate of 50% of open market value, based on consultations with local Registered Providers.

4.5.38 We have also made an allowance for 'residual' Section 106 costs. These are based on a detailed analysis undertaken by PCC as to the levels of contributions sought for different items, the likely future relationship between CIL and S106 and compliance with the Regulation 122 tests. This analysis suggested the following assumptions:

- 0.25 ha site scenarios - £100 per dwelling
- 1 ha site scenarios - £3,193 per dwelling
- 5ha site scenarios - £3,216 per dwelling

Assumptions Summary

4.5.39 The key assumptions discussed above, as well as the other assumptions made as part of the viability assessments are summarized in Table 4.1 below:

Table 4.1: Assumptions Summary

Assumption	Source	Notes																				
Revenue																						
Sales value of completed scheme	Land Registry, PBA research	<p>The sales value assumptions are based on analysis of asking prices of new-build houses currently on the market broken back to give average per sq. m values as described above (making allowances for discounting) along with analysis of achieved sales price data of new-build houses from Land Registry. This data is then supplemented following conversations with agents and house builders' sales representatives, which allows us to form a view on new build sales values. Values used are as follows.</p> <table border="1"> <thead> <tr> <th colspan="2">Houses</th> </tr> <tr> <th></th> <th>Average prices per sq m</th> </tr> </thead> <tbody> <tr> <td>Lower Value</td> <td>£1,900</td> </tr> <tr> <td>Moderate value</td> <td>£2,050</td> </tr> <tr> <td>Higher Value</td> <td>£2,200</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Apartments</th> </tr> <tr> <th></th> <th>Average prices per sq m</th> </tr> </thead> <tbody> <tr> <td>Lower Value</td> <td>£2,000</td> </tr> <tr> <td>Moderate value</td> <td>£2,150</td> </tr> <tr> <td>Higher Value</td> <td>£2,250</td> </tr> </tbody> </table>	Houses			Average prices per sq m	Lower Value	£1,900	Moderate value	£2,050	Higher Value	£2,200	Apartments			Average prices per sq m	Lower Value	£2,000	Moderate value	£2,150	Higher Value	£2,250
Houses																						
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Higher Value	£2,250																					
Development characteristics	Analysis of recent development; experience, Peterborough Core Strategy & Urban Design Compendium	<table border="1"> <thead> <tr> <th></th> <th>Density</th> <th>Average unit size</th> </tr> </thead> <tbody> <tr> <td>Lower Value</td> <td>38 dph</td> <td>100 sq. m</td> </tr> <tr> <td>Moderate value</td> <td>34 dph</td> <td>110 sq. m</td> </tr> <tr> <td>Higher Value</td> <td>30 dph</td> <td>120 sq. m</td> </tr> </tbody> </table>		Density	Average unit size	Lower Value	38 dph	100 sq. m	Moderate value	34 dph	110 sq. m	Higher Value	30 dph	120 sq. m								
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Lower Value	38 dph	100 sq. m																				
Moderate value	34 dph	110 sq. m																				
Higher Value	30 dph	120 sq. m																				
Policy Costs	Core Strategy	<p>Affordable housing 30% on schemes of 15 units or more (split 70% social rente; 30% shared ownership)</p> <p>'Residual' S106 0.25 ha site scenarios - £100 per dwelling 1 ha site scenarios - £3,193 per dwelling 5ha site scenarios - £3,216 per dwelling</p>																				
Development Costs																						
Construction	BCIS	<p>BCIS is a national database of build costs published by RICS on a quarterly basis. BCIS offers a range of prices dependent on the final specification. It also allows us to 'index' the build cost prices so that they are specific to Peterborough.</p> <p>Build costs used are derived from the recent actual prices in the marketplace. As early as 2009, the market across the UK was</p>																				

		<p>building at round Code for Sustainable Homes Level 3 to 4 for private and Level 4 for social housing²⁶.</p> <p>The following costs have been used in this study and are considered to cover realistic costs for Code Level 4 (even though this is not a requirement of policy):</p> <ul style="list-style-type: none"> • Build costs houses - £845 per sq m • Build costs flats - £980 per sq m <p>Costs may alter in future. In particular, there may be national policy change regarding Code for Sustainable Homes building standards. The final effect of these changes on viability is difficult to foresee. While we have reviewed current Government research on cost impacts of CSH²⁷ we note that past forecasts of price changes (such as that predicted in the original Cyril Sweete work)²⁸ have never affected costs to the extent forecast. When these future requirements come into force, they will impact on both development costs and land values. We have not incorporated these possible impacts into our calculations. Our approach to incorporating these (and other) potential but unknown costs is to set a wide margin for error that will cover variations in factors such as build costs, site conditions, and timing.</p>										
Net Developable Area	Industry Standard	<p>Whilst a site may have a gross area of 1ha, for example, it is not possible to bring forward development on 100% of the site. Allowances need to be made for infrastructure requirements, open space provision as well as other potential on-site provisions. As a consequence of this, on 1 ha sites the net developable area is considered to be 95% with this increasing to 100% for 0.25 ha sites as there is likely to be less on-site provision of items such as open space required and decreasing to 70% for 5ha scenarios where on-site open space and such like are likely to be required. .</p>										
Contingency	Industry standard	<p>Contingency is an expression of risk relating to a specific scheme and will vary from site to site. We have adopted an average of 5% though in practice it will vary.</p>										
External works	Industry standard	<p>On-site preparation for internal access roads and other external works. This will vary from site to site, but we have assumed a figure of 10% of construction costs</p>										
Professional fees	Industry standard	10%										
Finance	Industry standard	7%										
Profit	Industry standard	<p>20% on value of market units 6% on value of affordable units</p>										
Stamp duty on land purchase	HMRC	<table> <tr> <td>up to £125,000</td> <td>0.00%</td> </tr> <tr> <td>Over £125,000 to £250,000</td> <td>1.00%</td> </tr> <tr> <td>Over £250,000 to £500,000</td> <td>3.00%</td> </tr> <tr> <td>Over £500,000 to £1m</td> <td>4.00%</td> </tr> <tr> <td>Over £1 million</td> <td>5.00%</td> </tr> </table>	up to £125,000	0.00%	Over £125,000 to £250,000	1.00%	Over £250,000 to £500,000	3.00%	Over £500,000 to £1m	4.00%	Over £1 million	5.00%
up to £125,000	0.00%											
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Over £250,000 to £500,000	3.00%											
Over £500,000 to £1m	4.00%											
Over £1 million	5.00%											

²⁶ In 2009, the NHBC stated that Code 3 and 4 was the level most commonly specified in new building. See NHBC (2009, revised Jan 2010) *The Code for Sustainable Homes Simply Explained*

²⁷ DCLG (2010) *Code for Sustainable Homes – a Cost Review*

²⁸ Cyril Sweete for DCGL (2008) *Cost Analysis of The Code for Sustainable Homes*

Fees on land purchase	Industry Standard	Agent – 1% Legal - 0.5%
Build/sales rate	Industry standard	Low value areas – 6 sales per quarter Moderate value areas – 7.5 sales per quarter High value areas – 9 sales per quarter
Benchmark land value	PBA Research + Consultation with agents & developers	Lower value - £700,000 per ha Moderate value - £900,000 per ha Higher value - £1,100,000 per ha

4.6 Findings

4.6.1 Using the assumptions outlined above, a number of residential viability appraisals were undertaken. At this stage of the process the assessments that have been based around hypothetical sites of 0.25 ha, 1 ha and 5ha. These sites were tested at the three value scenarios – low, moderate and high – and reflect likely the typical range of sites and market conditions seen in Peterborough. The findings of these viability appraisals are set out in Table 4.2 below.

Table 4.2: Residential Summary Findings

0.25ha

Site	Site area per ha	CIL Chargeable GIA sq m	Residual value		Benchmark land value		Overage per ha	
			per ha	per sq m	per ha	per sq m	per ha	per sq m
Low value	0.25	950	£1,450,249	£382	£770,000	£203	£680,249	£179
Moderate value	0.25	935	£1,678,893	£449	£990,000	£265	£688,893	£184
High value	0.25	900	£1,990,569	£553	£1,210,000	£336	£780,569	£217

1ha

Site	Site area per ha	CIL Chargeable GIA sq m	Residual value		Benchmark land value		Overage per ha	
			per ha	per sq m	per ha	per sq m	per ha	per sq m
Low value	0.95	2,527	£755,232	£284	£700,000	£263	£55,232	£21
Moderate value	0.95	2,487	£1,086,229	£415	£900,000	£344	£186,229	£71
High value	0.95	2,394	£1,366,556	£542	£1,100,000	£437	£266,556	£106

5ha

Site	Site area per ha	CIL Chargeable GIA sq m	Residual value		Benchmark land value		Overage per ha	
			per ha	per sq m	per ha	per sq m	per ha	per sq m
Low value	3.50	9,310	£780,208	£293	£630,000	£237	£150,208	£56
Moderate value	3.50	9,163	£1,106,896	£423	£810,000	£309	£296,896	£113
High value	3.50	8,820	£1,401,037	£556	£890,000	£393	£411,037	£163

4.6.2 The figures in the final column is the 'overage' expressed as a value per sq. m. It can be seen as the maximum potential CIL charge rate or the 'ceiling' of viability. In setting rates, it will be necessary to draw down from these theoretical maxima in order to ensure that the majority of development remains viability after the charges are applied, as explained elsewhere in this report.

4.6.3 It is clear from the above that all of the scenarios tested are viable, showing overages of between £21 per sq. m and £217 per sq. m.

Apartments

- 4.6.4 Apartment developments have been particularly badly affected by the recent recession. In particular, the restrictions on the availability of mortgage finance have been most severe on those seeking to purchase lower price homes, especially apartments. As such, apartments have suffered a significant fall in sales values over the last 5 years. This is compounded by the fact that many of the main regional cities were significantly over-supplied with apartments through the development boom of the late 1990s and early 2000s. Another compounding factor is that banks are also reluctant to lend money to develop apartments on the basis that they are seen as too risky as a result of the factors mentioned previously.
- 4.6.5 This conclusion is supported by the fact that very few apartments are currently being developed in Peterborough. Where they are being built, they tend to be in the very highest value areas, where prospective purchasers are unlikely to have problems with access to mortgage finance. Furthermore, the sentiment of local developers and agents was that they were not looking to develop apartments in current market conditions.
- 4.6.6 Nonetheless, we have undertaken sample appraisals of hypothetical apartment schemes. The site area is in line with the smallest housing development scenario assessed above at 0.25 ha, as well as for a scheme of 14 units – under the affordable housing threshold. Our findings are set out in Table 4.3 below.

Table 4.3: Apartment Summary Findings

14 unit apartment

Site	CIL Chargeable		Residual value		Benchmark land value		Overage per ha	
	per ha	GIA sq. m	per ha	per sq m	per ha	per sq m	per ha	per sq m
Low value	0.175	630	£906,775	£252	£770,000	£214	£136,775	£38
Moderate value	0.186	698	£1,268,511	£338	£990,000	£264	£278,511	£74
High value	0.200	840	£1,743,172	£415	£1,210,000	£288	£533,172	£127

0.25ha Apartment

Site	CIL Chargeable		Residual value		Benchmark land value		Overage per ha	
	per ha	GIA sq. m	per ha	per sq m	per ha	per sq m	per ha	per sq m
Low value	0.25	770	£209,636	£68	£770,000	£250	-£560,364	-£182
Moderate value	0.25	840	£719,388	£214	£990,000	£295	-£270,612	-£81
High value	0.25	910	£1,120,549	£308	£1,210,000	£332	-£89,451	-£25

- 4.6.7 The findings in the tables above show that apartment development where affordable housing is required are not currently viable. For schemes that are below the affordable housing threshold, the overages range between £38 per sq. m and £127 per sq. m.

4.7 Major Residential Development Sites

- 4.7.1 In addition to the generic scenario assessments set out above, we have also undertaken high level viability assessments on the three major residential development sites identified in the Peterborough Core Strategy and not developed. These are Great Haddon, Hampton and Norwood.
- 4.7.2 Our assessments of these sites are based on the characteristics of development proposed at each site, as currently understood. This includes the sites areas (gross and net developable), the number and mix of dwelling types proposed, the likely level of developer contributions and so on. It should be noted, however, that full details are not available in some respects and informed assumptions have been made in some respects.

- 4.7.3 Clearly, such major residential developments are required to provide for many infrastructure requirements on site. As such, the costs and land take of these requirements are taken into account in our assessments. This has the effect of reducing the amount a developer is likely to pay for land and the viability of development. Wherever appropriate, other assumptions remain the same as applied to the generic assessments, including in respect of sales values, build costs and the like.
- 4.7.4 Conversely, such large scale residential development sites are likely to have been acquired based on existing, largely agricultural land values, perhaps with some uplift to take account of the potential scope for residential development or according to option agreements whereby land values will reflect the ultimate viability of development.
- 4.7.5 The findings of our assessments of the major residential development sites are set out in Table 4.4 below. Where apartments are proposed, we have included these as a separate phase so as to show the relative viability (and scope for CIL) of houses and apartments.

Table 4.4: Major Residential Development Sites

Hampton

Site	CIL Chargeable GIA		Residual value		Benchmark land value		Overage per ha	
	per ha	sq m	per ha	per sq m	per ha	per sq m	per ha	per sq m
Phase 1	15	57155	£377,679	£99	£250,000	£66	£127,679	£34
Phase 2	15	57155	£377,679	£99	£250,000	£66	£127,679	£34
Phase 3	15	57155	£377,679	£99	£250,000	£66	£127,679	£34
Phase 4	15	57155	£377,679	£99	£250,000	£66	£127,679	£34

Norwood

Site	CIL Chargeable GIA		Residual value		Benchmark land value		Overage per ha	
	per ha	sq m	per ha	per sq m	per ha	per sq m	per ha	per sq m
Phase 1	15	46690	£404,354	£130	£250,000	£80	£154,354	£50
Phase 2	15	46690	£404,354	£130	£250,000	£80	£154,354	£50
Phase 3	15	46690	£404,354	£130	£250,000	£80	£154,354	£50
Phase 4	15	46690	£404,354	£130	£250,000	£80	£154,354	£50

Great Haddon

Site	CIL Chargeable GIA		Residual value		Benchmark land value		Overage per ha	
	per ha	sq m	per ha	per sq m	per ha	per sq m	per ha	per sq m
Phase 1	40	101745	£373,510	£147	£250,000	£98	£123,510	£49
Phase 2	40	101745	£373,510	£147	£250,000	£98	£123,510	£49
Phase 3	40	101745	£373,510	£147	£250,000	£98	£123,510	£49
Phase 4	20	40068	-£846,830	-£423	£250,000	£125	-£1,096,830	-£547

- 4.7.6 The findings shown above reveal overages of between £34 per sq. m and £50 per sq. m for all sites and phases where only houses (rather than apartments) are proposed. A large negative overage is shown for the phase that comprises apartments.

4.8 Conclusions

- 4.8.1 The assessments set out above show that the majority of residential development is viable and generates an overage from which a CIL charge could be drawn of vary degrees. Some scenarios, most notably apartment developments above the affordable housing threshold, are shown to be unviable and should not therefore attract a CIL charge.
- 4.8.2 In setting charge rates, it is necessary to draw away from the theoretical maxima identified above in order to take account of potential market changes and sites where costs may be slightly higher than typical and/or values somewhat lower. The need to balance generating adequate revenues to fund infrastructure delivery with maintaining the viability of development is the key test in this respect.

- 4.8.3 When deciding upon a charge rate it is important to take the lowest common denominator across the comparable schemes. In this case the 0.25ha scenario and 14 apartment scenario will be treated individually, whilst the 1ha and 5ha scenarios should be considered jointly.

5 Non-residential Viability Assessment

5.1 Introduction

5.1.1 This section of the report sets out our findings with respect of office, industrial and retail development in Peterborough. It considers current market conditions, shows how we arrive at the assumptions that feed in to our viability assessments and draws conclusions on the viability of each type of development.

5.1.2 The values and viability of different types of retail development can vary substantially. As such, we have sought to test different retail uses separately. In order to vary charges by use, it is necessary to have clear definitions of each use. These are as follows:

- High Street Comparison Retail – High street comparison retail development will usually involve redevelopment of existing buildings to provide new retail accommodation that better meets the demands of modern retail businesses. Typically such development will provide a wide range of unit sizes, including one or two large spaces for ‘anchor tenants’ and a much larger number of small spaces. They will typically have frontage on to areas of high footfall, aiming to capture the passing trade of shoppers on foot, who are also likely to visit other stores and other parts of the centre, many of whom will arrive in the centre by non-car modes.
- Retail Warehouses – Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.
- Supermarkets – Supermarkets are large convenience-led stores where the majority of custom is from people doing their main weekly food shop. As such, they provide a very wide range of convenience goods, often along with some element of comparison goods. In addition to this, the key characteristics of the way a supermarket is used include:
 - The area used for the sale of goods will generally be above 500 sq. m.
 - The majority of customers will use a trolley to gather a large number of products;
 - The majority of customers will access the store by car, using the large adjacent car parks provided; and
 - Servicing is undertaken via a dedicated service area, rather than from the street.
- Neighbourhood Convenience - Neighbourhood convenience stores are used primarily by customers undertaking ‘top-up’ shopping. They sell a limited range of convenience goods and usually do not sell comparison goods. The key characteristics of their use include:
 - Trading areas of less than 500 sq. m²⁹;
 - The majority of customers will buy only a small number of items that can be carried around the store by hand or in a small basket;

²⁹ Convenience stores with trading areas of more than 500sq. m are likely to have potential to be used as a main food shopping destination, rather than simply providing for ‘top-up’ shopping. This threshold effectively delineates between full service supermarkets and small format convenience store operations, between which there is a demonstrable difference in development viability.

- The majority of customers will access the store on foot and as such there is usually little or no dedicated parking; and
- Servicing is often undertaken from the street, rather than dedicated service areas.

5.2 Market Overview

Offices

- 5.2.1 Peterborough City Centre is not seen as a major office centre and primarily draws on demand from a localised catchment. Within the region the larger and better connected centres of Cambridge and Norwich are the major office locations. Within the city centre office stock is mainly over twenty years old and clustered around the Northminster and Priestgate areas. Although the supply of high quality office space in the city centre is limited there has been no significant development of new build office floorspace in recent years.
- 5.2.2 A large proportion of office floorspace in Peterborough is in out of centre locations including Orton Southgate and Hampton. The main business parks with office floor space in Peterborough are Cygnet Park, Swan Court, Peterborough Business Park, Minerva Business Park and Axon Business Park.
- 5.2.3 Occupier demand for new office floorspace is currently weak owing to the economic downturn. Our analysis of recent market trends and conversations with commercial agents suggest that the general opinion is that current office rents and yields are not at a level to sustain speculative office development unless it is part of a mixed use scheme (in the case of the latter, office space would have to be cross subsidised by other more valuable uses).

Industrial and warehouse

- 5.2.4 We have appraised industrial and warehouse space as a single use. In most of the District, the new space developed is likely to consist mostly of small units, largely occupied by services and light industry rather than traditional manufacturing.
- 5.2.5 There are several industrial parks in Peterborough which contain the majority of industrial and warehouse floorspace including Bakewell Business Park, Axis Park, Kingston Park and Fengate, St David's Square.
- 5.2.6 It is difficult for private sector developers to fund speculative employment space. The perceived higher risk of such developments and the relatively low returns will limit the potential for new development. The longer term trend is therefore perhaps towards owner-occupier design and build development and the refurbishment of existing buildings.

'High Street' Comparison Retail

- 5.2.7 With the exception of Central London, town centre (high street) comparison retailing in the UK is in a period of transition. The majority of comparison retail-led town centre regeneration schemes have stalled due to a combination of weak consumer demand, constraints on investment capital and poor retail occupier performance. There have been a number of insolvencies, and the traditional high-street operators are frequently struggling, particularly in secondary retail locations such as those in borough's local centres.
- 5.2.8 Colliers retail market report (Autumn 2011) states that 'Secondary retail locations will continue to suffer as a result of the growing consumer trend of fewer shopping trips and the focus on the large retail destinations and online. Furthermore, daily/weekly shopping that would once have taken place in the local town centre is increasingly shifting to supermarkets, which now provide a wide range of comparison goods and services alongside the traditional convenience offer. Put simply, many towns

do not need the same number of shops that historical trends justified and, thus, unless this outdated retail stock is converted into another use, the vitality of these town centres will continue to diminish'.

- 5.2.9 Developers in the sector have therefore been going through a process of redesigning existing schemes in order to make them deliverable in the current economic climate and more appropriate to future consumer demand. This has often involved reducing the scale of potential developments and targeting better quality, financially stable retail operators.
- 5.2.10 Peterborough is following the trend of other retail centres. From the market research that has been carried out it can be seen that the retail market is one that is struggling, and relatively few transactions are taking place.
- 5.2.11 It is difficult to model the viability of town centre retail development as values are usually more sensitive to location and size of unit than office or residential development. Operators are very sensitive to footfall patterns which can lead to large variations in values – even on the same street. Our response is therefore to adopt 'overall' rental values to understand the broad potential range of comparison retail viability in the centre and also an examination of development outside of the main shopping area using a broad average.
- 5.2.12 Rental values in town centre retail units can vary significantly on a per sq. m basis according to a number of factors, particularly the location, quality and size and configuration of the units. In particular, the proportion of Zone A floorspace will have a significant impact on rental values considered on an overall basis.
- 5.2.13 Peterborough is the main retail centre and contains a number of national retail multiples and has the greatest volume of recent transactional evidence on which to base rent assumptions. The prime retail area of Peterborough is focussed around the Queensgate Shopping Centre, Long Causeway and Westgate. Typical rents in this area range between £25-£30 per sq. ft/£270-£320 per sq. m.

Retail Warehousing/Retail Parks

- 5.2.14 We have also considered retail warehouse development. This is commonly located out of centre, often on or close to major transport interchanges. It has been less prevalent in recent years as a result of the weakness in the wider economy that has reduced retail spending and led to several notable failures in the retail warehouse sector. However, there is still the potential for such development. Retail warehousing traditionally offered bulky comparison goods. They are large stores specialising in the sale of household goods (such as DIY items and other ranges of goods catering mainly for car-borne customers). As a property class it has continued to perform relatively well with new operators entering the sector which has had a beneficial impact on values and viability.

Supermarkets

- 5.2.15 Supermarkets cover the provision of everyday essential items including food, drinks, newspapers/magazines and confectionary. The sector is dominated by superstores and supermarkets which offer a wide range of these types of goods with supporting car parking.
- 5.2.16 The supermarket sector is one of the best performing investment assets in the UK, with the main operators seeking to expand and seek a greater degree of market share by the development of new store formats and the securing of prime locations both in town and out of town. As such, these are the basis of the viability assessments in terms of key assumptions. Smaller stores will attract lower rental values and will have high yields, and will therefore be substantially less valuable. Small 'neighbourhood' convenience stores are therefore excluded from this assessment and tested separately.
- 5.2.17 Within supermarket retail, viability is remarkably insensitive to precise location. Data from CBRE shows that grocery viability is similar in locations throughout the UK with a premium being paid for schemes in London. There is very little investment adjustment (around 1% on yield) between major

supermarket developments based on the transactional evidence for leases of similar length and terms. Although there are some small regional variations on yields, they remain strong across the board with investors focussing primarily on the strength of the operator covenant and security of income. We would therefore suggest the evidence base for convenience retail can be approached on a wider regional or even national basis when justifying CIL charging.

- 5.2.18 Leases to the main supermarket operators (often with fixed uplifts) command premiums with investment institutions.

5.3 Assumptions

- 5.3.1 As previously stated, central to the assessments is the need to gather robust market data. This section of the report also, therefore, sets out the sources of information that have informed the assumptions that underpin the viability assessments in relation to office and industrial uses, along with the assumptions themselves.

Information Sources

- 5.3.2 The approach taken to establishing the likely values of new development was to review recent rental and investment transactions in Peterborough. The transactional data was derived from the Focus/CoStar database, which provides details of the vast majority of transactions, broken down by use. The information includes some or all of the following:
- The address of the property;
 - Names of the lessor and lessee and their respective agents;
 - The size of the property;
 - The length of the lease and other key terms;
 - Quoting and/or the achieved rental value on leases; and
 - The price paid/capital value and yield on investment purchases.
- 5.3.3 The analysis of transactional data from Focus/CoStar focussed specifically on more modern accommodation in similar locations to where future growth is envisaged, wherever possible, so that the information gleaned from the transactions was most relevant and comparable to the types and locations of development likely to occur. Where adequate volumes of transactional data for directly comparable property was not readily available, assumptions were based on informed judgement as to the likely values that new development (of the type envisaged and in the locations proposed) would attract, combined with findings of consultations with agents and developers.
- 5.3.4 Cost data for office and industrial development types have principally been sourced from the BCIS index of construction prices. This provides build costs for a wide range of different forms of development indexed for Peterborough.
- 5.3.5 In addition to transactional data that provided intelligence on prevailing yields for different property types in Peterborough, we also took account of recently published market commentaries by major commercial property agents. Most notable amongst these was CBRE's 'Prime Rent and Yield Monitor Q1 2013'. As necessary, adjustments were made to the figures quoted by CBRE to take account of the relative attractiveness of Peterborough and its prime locations.
- 5.3.6 Once we had drawn initial conclusions as to the likely rental values and yields of each development type, a series of consultations with local agents and developers who are active in the Peterborough market were undertaken in order to test the assumptions, with revisions made to reflect comments received where it was justified by evidence to do so.

5.3.7 Circumstantial evidence on the appetite for development was also taken into account. An absence of existing buildings or proposals for certain types of development which might be expected to be acceptable in suitable locations is taken as prima facie evidence that achieving viability is a challenge.

Assumptions

5.3.8 In the calculations we have used 'readily available evidence', which has been informed and adjusted by an assessment of local transactions and market demand. This kind of strategic viability assessment involves a high degree of generalisation. Therefore the assumptions adopted in this assessment are intentionally cautious and in most circumstances the approach will return a more conservative estimate of what is viable and what is not.

Table 5.1: Non-Residential Assumptions

Assumption	Source	Notes			
Scenarios					
Commercial unit sizes	Client team & Stakeholder consultations	Through the course of the development plan period the Council envisages commercial development to occur. We have reflected future commercial development through testing the following commercial uses and unit sizes:			
		GIA sq.m	NIA sq.m		
		Town Centre Office	6,000	5,100	
		Business Park Office	4,000	3,400	
		Industrial	4,000	3,600	
		High Street Comparison Retail	6,000	4,800	
		Retail Warehouse	4,000	3,600	
		Supermarket	4,000	3,600	
		Neighbourhood Convenience	1,200	1,080	
Net to gross site developable area	Industry standards & Stakeholder consultations	We have assumed the following net to gross site development percentages (also expressed as total net developable are per ha) to allow for roads, SuDs, landscape and open space:			
		site coverage expressed as a percentage	Net developable site area (ha)		
		Town Centre Office	40.00%	0.25	
		Business Park Office	40.00%	0.50	
		Industrial	50.00%	1.00	
		High Street Comparison Retail	120.00%	0.50	
		Retail Warehouse	50.00%	1.00	
		Supermarket	50.00%	1.00	
		Neighbourhood Convenience	40.00%	0.20	
Costs					
Plot external	BCIS online version adjusted for Peterborough	Build costs are based on median rates adjusted for location derived from BCIS Review of Building Prices online version data of actual prices in the marketplace. All major non-domestic development which does not qualify for assessment under Code for Sustainable Homes will to be built to a minimum of BREEAM (Building Research Establishment Assessment Method) Very Good standard.			
		Town Centre Office	£1,175	sq m	
		Business Park Office	£1,035	sq m	
		Industrial	£440	sq m	
		High Street Comparison Retail	£855	sq.m	
		Retail Warehouse	£580	sq.m	
		Supermarket	£1,175	sq.m	
		Neighbourhood Convenience	£1,000	sq.m	
Developer contribution (Section 106 /or CIL)	Client team & Stakeholder consultations	Plot externals cover build costs for site preparation and includes items such as internal access roads, landscaping, open space, drainage, utilities and services within the site. We have allowed the following percentage of build costs for these items. 10% These exclude abnormal site development costs and exceptional offsite infrastructure.			
		For this assessment we have been asked to factor S106 contributions for convenience retail. We have not been asked to factor any S106 or developer contribution into the appraisals for other commercial uses. Decision on this will be determined later. Contributions to infrastructure costs such as education, open space and transportation etc. will need to be factored into this and decisions on strategic infrastructure cost contributions that may be via a CIL will need to be factored in.			
		Apply?			
		Town Centre Office	£0	psm	Yes
		Business Park Office	£0	psm	Yes
		Industrial	£0	psm	Yes
		High Street Comparison Retail	£0	psm	Yes
		Retail Warehouse	£0	psm	Yes
		Supermarket	£0	psm	Yes
		Neighbourhood Convenience	£0	psm	Yes
		Residual S106			
		Office, Industrial, High Street Comparison Retail	£10	psm	Yes
		Retail Warehouse	£50	psm	Yes
		Supermarket	£100	psm	Yes

Professional Fees	Industry standards	Professional fees relate to the costs incurred to bring the development forward and cover items such as; surveys, architects, quantity surveyor etc. Professional fees are based upon accepted industry standards and are calculated as a percentage of build costs at 12%																																
Contingency	Industry standard & developer workshop	Contingency is based upon the risk associated with each site and has been calculated as a percentage of build costs at 5%																																
Sale fees	Industry standards	These rates are based on industry accepted scales at the following rates: Marketing £25,000 Letting agent fee (not applied to care homes) 10% Letting legals (not applied to care homes) 5%																																
Finance costs	Industry standards	Based upon the likely cost of development finance we have used current market rates of interest. 7%																																
Stamp Duty on Land Purchase	HMRC	These are the current rates set by Treasury at the following rates: up to £125,000 0.00% up to £150,000 Over £125,000 to £250,000 1.00% Over £150,000 to £250,000 Over £250,000 to £500,000 3.00% Over £250,000 to £500,000 Over £500,000 to £1m 4.00% Over £500,000 Over £1 million 5.00%																																
Professional fees on Land Purchase	Industry standards	Fees associated with the land purchase and disposal of completed scheme are based upon the following industry standards: Surveyor - 1.00% Legals - 0.75%																																
Profit	Industry standards	A developer's return is based upon their attitude to risk. A developer's attitude to risk will depend on many factors that include but not exclusive to, development type (e.g. Greenfield, Brownfield, refurbishment, new build etc), development proposal (uses, mix and quantum), credit worthiness of developer, and current market conditions. We have applied a rate that is acceptable to both developers and financial institutions in the current market. The developer return is a Gross Margin and therefore includes overheads. The developer return is calculated as a percentage of costs at the following rate: 20%																																
Time-scales - build rate units/per annum	Stakeholder consultations	Build rate time-scales reflect solely the construction period of the commercial unit itself and assumes a cleared service site free of abnormalities. The build rates for each of the commercial uses are set out as follows: <table border="1"> <thead> <tr> <th></th> <th>Start</th> <th>Finish</th> </tr> </thead> <tbody> <tr> <td>Town Centre Office</td> <td>01 January 2014</td> <td>01 January 2015</td> </tr> <tr> <td>Business Park Office</td> <td>01 January 2014</td> <td>01 October 2014</td> </tr> <tr> <td>Industrial</td> <td>01 January 2014</td> <td>01 October 2014</td> </tr> <tr> <td>High Street Comparison Retail</td> <td>01 January 2014</td> <td>01 June 2015</td> </tr> <tr> <td>Retail Warehouse</td> <td>01 January 2014</td> <td>01 October 2014</td> </tr> <tr> <td>Supermarket</td> <td>01 January 2014</td> <td>01 January 2015</td> </tr> <tr> <td>Neighbourhood Convenience</td> <td>01 January 2014</td> <td>01 October 2014</td> </tr> </tbody> </table>		Start	Finish	Town Centre Office	01 January 2014	01 January 2015	Business Park Office	01 January 2014	01 October 2014	Industrial	01 January 2014	01 October 2014	High Street Comparison Retail	01 January 2014	01 June 2015	Retail Warehouse	01 January 2014	01 October 2014	Supermarket	01 January 2014	01 January 2015	Neighbourhood Convenience	01 January 2014	01 October 2014								
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Revenue																																		
Rents, yields and incentives	CoStar/Focus and Stakeholder consultations	When testing viability of commercial development it is assumed that the completed scheme is sold as a fully let investment on practical completion, with adjustment to the income stream to reflect tenants incentives. The capital values of the completed commercial units have been calculated through capitalising a market rent with an appropriate yield as follows: <table border="1"> <thead> <tr> <th></th> <th>Rent</th> <th>Yield</th> <th>Rent free (months)</th> </tr> </thead> <tbody> <tr> <td>Town Centre Office</td> <td>£140</td> <td>9.00%</td> <td>12</td> </tr> <tr> <td>Business Park Office</td> <td>£160</td> <td>8.50%</td> <td>12</td> </tr> <tr> <td>Industrial</td> <td>£65</td> <td>8.75%</td> <td>12</td> </tr> <tr> <td>High Street Comparison Retail</td> <td>£300</td> <td>8.25%</td> <td>12</td> </tr> <tr> <td>Retail Warehouse</td> <td>£180</td> <td>8.00%</td> <td>12</td> </tr> <tr> <td>Supermarket</td> <td>£200</td> <td>5.25%</td> <td>12</td> </tr> <tr> <td>Neighbourhood Convenience</td> <td>£155</td> <td>6.50%</td> <td>12</td> </tr> </tbody> </table>		Rent	Yield	Rent free (months)	Town Centre Office	£140	9.00%	12	Business Park Office	£160	8.50%	12	Industrial	£65	8.75%	12	High Street Comparison Retail	£300	8.25%	12	Retail Warehouse	£180	8.00%	12	Supermarket	£200	5.25%	12	Neighbourhood Convenience	£155	6.50%	12
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Benchmark land value per ha																																		
Commerical land vaules	Stakeholder consultations/ CoStar	Our estimates of benchmark land values are based on market comparables derived through consultation with stakeholders and analysis of published data on CoStar. At this current point in the economic cycle there is much uncertainty surrounding land values due to the small number of transactions occurring. Where necessary we have considered transactions in the wider market area. <table border="1"> <tbody> <tr> <td>Town Centre Office</td> <td>£750,000</td> <td>per net developable hectare</td> </tr> <tr> <td>Business Park Office</td> <td>£500,000</td> <td>per net developable hectare</td> </tr> <tr> <td>Industrial</td> <td>£500,000</td> <td>per net developable hectare</td> </tr> <tr> <td>High Street Comparison Retail</td> <td>£10,000,000</td> <td>per net developable hectare</td> </tr> <tr> <td>Retail Warehouse</td> <td>£2,000,000</td> <td>per net developable hectare</td> </tr> <tr> <td>Supermarket</td> <td>£2,500,000</td> <td>per net developable hectare</td> </tr> <tr> <td>Neighbourhood Convenience</td> <td>£900,000</td> <td>per net developable hectare</td> </tr> </tbody> </table>	Town Centre Office	£750,000	per net developable hectare	Business Park Office	£500,000	per net developable hectare	Industrial	£500,000	per net developable hectare	High Street Comparison Retail	£10,000,000	per net developable hectare	Retail Warehouse	£2,000,000	per net developable hectare	Supermarket	£2,500,000	per net developable hectare	Neighbourhood Convenience	£900,000	per net developable hectare											
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5.4 Findings

- 5.4.1 The findings of the viability assessments are set out in Table 5.2 below. The appraisals work on the assumption of an indicative scenario that may come forward on a typical site. The value is a function of prevailing rental levels, capitalised using an assumed yield relevant to the use and the location, less the value of any likely inducements such as rent free periods. Costs take account of land acquisition costs, build costs, professional fees and all other associated development costs.

Table 5.2: Summary Findings

	GIA	NIA	Net site area ha	Residual value		Benchmark		CIL Overage	
				Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm
Town Centre Office	6,000	5,100	0.25	-£15,059,796	-£627	£750,000	£31	-£15,809,796	-£659
Business Park Office	4,000	3,400	0.50	-£2,037,289	-£255	£500,000	£63	-£2,537,289	-£317
Industrial	4,000	3,600	1.00	-£483,299	-£121	£500,000	£125	-£983,299	-£246
High Street Comparison Retail	6,000	4,800	0.50	£9,367,497	£781	£10,000,000	£833	-£632,503	-£53
Retail Warehouse	4,000	3,600	1.00	£2,421,927	£605	£2,000,000	£500	£421,927	£105
Supermarket	4,000	3,600	1.00	£3,354,136	£839	£2,500,000	£625	£854,136	£214
Neighbourhood Convenience	1,200	1,080	0.20	£1,030,016	£172	£900,000	£150	£130,016	£22

Offices

- 5.4.2 Table 5.2 shows that speculative office development is not currently viable in the town centre on the basis of the assumptions made, showing a negative overage. Business park office development is also shown to be unviable, and is unlikely to take place speculatively.
- 5.4.3 That is not to say, however, that no office development will take place in Peterborough for the foreseeable future. Where a developer can attract a substantial pre-let or space is sought by an owner occupier whose property needs have changed may well lead to office development taking place. The development economics for owner occupiers are quite different to that for speculative development. The driver for new development of office premises by owner occupiers is often to achieve business efficiencies, rather than to generate development profit; as such development by owner occupiers remains a distinct possibility. Furthermore, office floorspace could be delivered as part of a mixed use development which could be cross-subsidised by more viable uses.

Industrial and Warehouse

- 5.4.4 We have concluded that, based on our research and the assumptions made, speculative industrial and warehouse development is not currently viable. However, as we note with regards to offices, development by owner occupiers remains a possibility even in current market conditions.
- 5.4.5 It is also likely that wider economic conditions will improve over the plan period. This will have a materially beneficial impact on the viability of development because the perceived risk will fall and yields will fall accordingly, whilst rental values are also likely to rise as businesses seek to grow, demand more space and hoard less cash.
- 5.4.6 Moderate changes in rental values and yields, which are certainly within the range of foreseeable market change over the next 5 years, could well see a return to viability of speculative office or industrial development. The fact that such development is not currently viable is not a result of existing or proposed policy requirements of the council, but rather as a result of wider economic conditions and their impact on development values.

High Street Comparison Retail

- 5.4.7 Peterborough City Centre is experiencing the same pressures as other retail destinations following the economic downturn and the difficulties facing a number of national retailers. Viability for new

build comparison retail-led town centre schemes is marginal or unviable across many town and city centres.³⁰

- 5.4.8 It is difficult to accurately estimate likely land acquisition costs, which are a major factor in redevelopment projects, given the fact that a large number of titles often have to be assembled. Land acquisition is often the principal barrier to town centre retail developments, in both practical and viability terms.
- 5.4.9 Our analysis suggests that high street comparison retail development within Peterborough is currently unviable, but only marginally so. Therefore, any improvement in the market as retail spending increases and confidence returns to the sector could lead to a rise in rental values and/or strengthening yields which may mean that this kind of development becomes viable. Whether any CIL charge is appropriate in such circumstances, however, remains questionable.

Retail Warehousing

- 5.4.10 Our assessment of out of centre comparison retail is based on retail warehouse type developments. It assumes a typical scheme away from the defined town centres. Construction costs and rental values for retail warehousing are generally lower than for superstores, whilst yields are higher, reflecting the fact that some operators in the out of town retailing sector have struggled and failed during the recent recession. That said, other operators continue to perform strongly and are continuing to invest in additional retail warehouse space.
- 5.4.11 The assessment shows that retail warehouses generate a surplus that could support a potential CIL charge of up to a maximum of £105 per sq. m. As noted previously, it is necessary to draw down from this theoretical maximum in setting charge rates.

Supermarkets

- 5.4.12 Supermarkets continue to be one of the best performing sectors in the UK. Leases to the main supermarket operators (often with fixed uplifts) command premiums with investment institutions. Our testing of supermarkets has focussed on larger out of town grocery stores. Nevertheless our evidence base would suggest rents and yields are broadly similar to those achieved for supermarkets by major operators in smaller format stores in city/town centres. Whilst development costs are relatively high, the strength of covenant provided by their operators and the rents that they achieve outweighs these costs.
- 5.4.13 We have concluded that supermarkets are viable in Peterborough and generate a significant level of surplus, equating to a maximum potential CIL charge rate of £214 per sq.m.

Neighbourhood Convenience Retail

- 5.4.14 The viability assessment for neighbourhood convenience stores shows that a relatively small overage of £22 per sq. m is likely to be generated.

5.5 Conclusions

- 5.5.1 Retail warehouse, supermarket and neighbourhood convenience developments are the only uses that are shown to generate an overage from which a CIL charge could be drawn in current market conditions.

³⁰ Financial Times December 29 2011 *UK retail insolvencies expected to soar*

6 Education, Health and Community Facilities Assessment

6.1 Introduction

6.1.1 We see this category as including, but not necessarily being limited to:

- Schools, including free schools;
- Community facilities, including community halls, community arts centres, and libraries;
- Medical facilities; and
- Emergency services facilities.

6.2 Viability Analysis

6.2.1 A number of these facilities may be delivered in Peterborough over the plan period and would potentially occupy net additional floorspace (thereby creating development which is liable for CIL).

6.2.2 We do not recommend that the Council proposes to levy a CIL charge on these uses, for the following reasons.

- Ordinarily it is not possible to deliver new capital build state-led community, health, emergency services or education projects (including free schools, which are state provided) without funding support of the type that CIL is hoping to create. Raising a CIL against these uses would simply result in a circular funding stream that would require a return of the CIL funds raised to these uses. This would, amongst other things, incur management costs and so be inefficient.
- Completed developments of these types are not commercial in nature. They do not have a commercial value in themselves. They therefore do not create a residual site value. In other words, considered from a commercial perspective, such developments are not viable.
- Non-state education projects such as private schools generally have charitable status. They will therefore be exempt from CIL. There is therefore no point breaking out a separate charge in the schedule.

6.2.3 There is the exception of primary care facilities that are predominantly occupied by GPs. There is a commercial market for properties of this sort. We have analysed the price paid for completed investments across the country by specialist investors in the field and concluded that, again, the sites used are usually sourced on a preferential basis and the land values generated are not significant in most cases. It is possible that privately-funded BUPA-type health provision might be developed, but this is likely to be de minimis.

6.2.4 Given that these facilities are commonly not commercially-driven developments, it is considered that there can be no evidence to justify a change from the CIL charge for such uses. Indeed, there is simply no evidence to suggest that 'value capture' could be achieved from such uses which usually require public funding to be delivered.

7 Sui Generis Uses

7.1 Introduction

7.1.1 By their very nature, sui generis uses cover a very wide range of development types. Our approach to this issue has been to consider the types of premises and location that may be used for sui generis uses and assess whether the costs and value implications have any similarities with other uses.

7.2 Development Types and Likely Viabilities

7.2.1 For the purpose of this study we have considered the following additional types of development across the borough:

- **Scrapyards** – the likelihood of new scrapyard/recycling facilities in the borough is low. Even with the rising prices in scrap metal and other recyclable materials. They are unlikely because of the comparatively low value compared to existing uses across Peterborough. There is also no demand anticipated for scrapyards in the foreseeable future. A future consideration is that these uses are likely to occupy similar premises as many B2 uses and therefore viability will be covered by the assessments of B2 use viability.
- **Petrol Filling Stations** – the large majority of petrol filling stations that come forward at present are generally alongside supermarket development proposals. It is of our opinion that petrol filling stations are not a likely development product to be brought forward in the near future.
- **Selling and/or displaying motor vehicles** – car forecourts are prevalent in parts of Peterborough, most notably near Peterborough town centre. These type of premises are likely to occupy similar locations as B2 uses. The viability of these types of developments will be covered under the B2 viability assessment.
- **Nightclubs** – these uses are likely to be in the same type of premises as A1 town centre retail uses, covering similar rental and purchase costs. They are therefore considered to be covered by this viability assessment.
- **Taxi businesses** – these uses are likely to be in the same type of premises as A1 town centre retail uses and covering the same purchase and rental costs. Therefore they are covered by this viability assessment.
- **Amusement centres** – these uses are likely to be in the same type of premises as A1 town centre retail uses and covering the same purchase and rental costs. Therefore they are covered by this viability assessment.
- **Casinos** – under the current law, casinos can only be built in 53 permitted areas or one of the 16 local authorities allocated one of eight large and eight small casinos under the provisions of the Gambling Act 2005. For a casino to be built in Peterborough the council would have to apply for a special license and undertake a public consultation. We are not aware of any specific proposals for a casino in Peterborough at the present time.

7.3 Scope for CIL

7.3.1 It is important to note that the above list is not exhaustive, it is not possible to fully anticipate the levels and type of development that will come forward and so there is the possibility for unforeseen applications being submitted.

- 7.3.2 Given the minimal scale of development likely to occur for these uses, the likelihood is that they will be changes of use rather than new development. Because of this, and their relatively marginal viability, we propose a nil rate.

8 Charge Zones and Recommended Rates

8.1 Introduction

- 8.1.1 This section of the report sets out how we approach identifying potential CIL charging rates based on the viability evidence presented above. This is achieved by first establishing the maximum potential rates that are consistent with maintaining the viability of the bulk of development planned in the Core Strategy. We then need to draw down from the theoretical ceiling in order to ascertain an acceptable level of CIL.
- 8.1.2 This exercise is carried out separately for residential and non-residential uses, bringing the final conclusions together in a summary table which will form the basis of the Draft Charging Schedule.

8.2 Residential

- 8.2.1 In Section 5, we set out the findings of the viability assessments in terms of the overage generated by each scenario, which can be seen as the maximum potential charge rates. In setting charge rates, it is necessary to draw away from the theoretical maxima identified in order to take account of potential market changes and sites where costs may be slightly higher than typical and/or values somewhat lower. The need to balance generating adequate revenues to fund infrastructure delivery with maintaining the viability of development is the key test in this respect.
- 8.2.2 To achieve this balance, our approach is that charge rates should be between 50% and 75% of the identified theoretical maximum. This range is applied to show that the charge rate is based on an equitable proportion of the 'surplus' development value and is contributing to the Charging Authority's CIL revenues, whilst also demonstrably drawing down from the ceiling of viability. Where within this range the charge is set, can be considered a matter of discretion for the Charging Authority, taking account of their attitude to risk in respect of the scale and rate of development likely to come forward in future.
- 8.2.3 Simplicity in the charging schedule is also extremely desirable. As such, when seeking to set a charge rate for each market area, it is sensible and appropriate to take the 'lowest common denominator' of the scenarios assessed for each. Our assessment and proposed residential charge ranges are set out in the table below.

Table 8.1: Maximum residential rates and recommend rate ranges

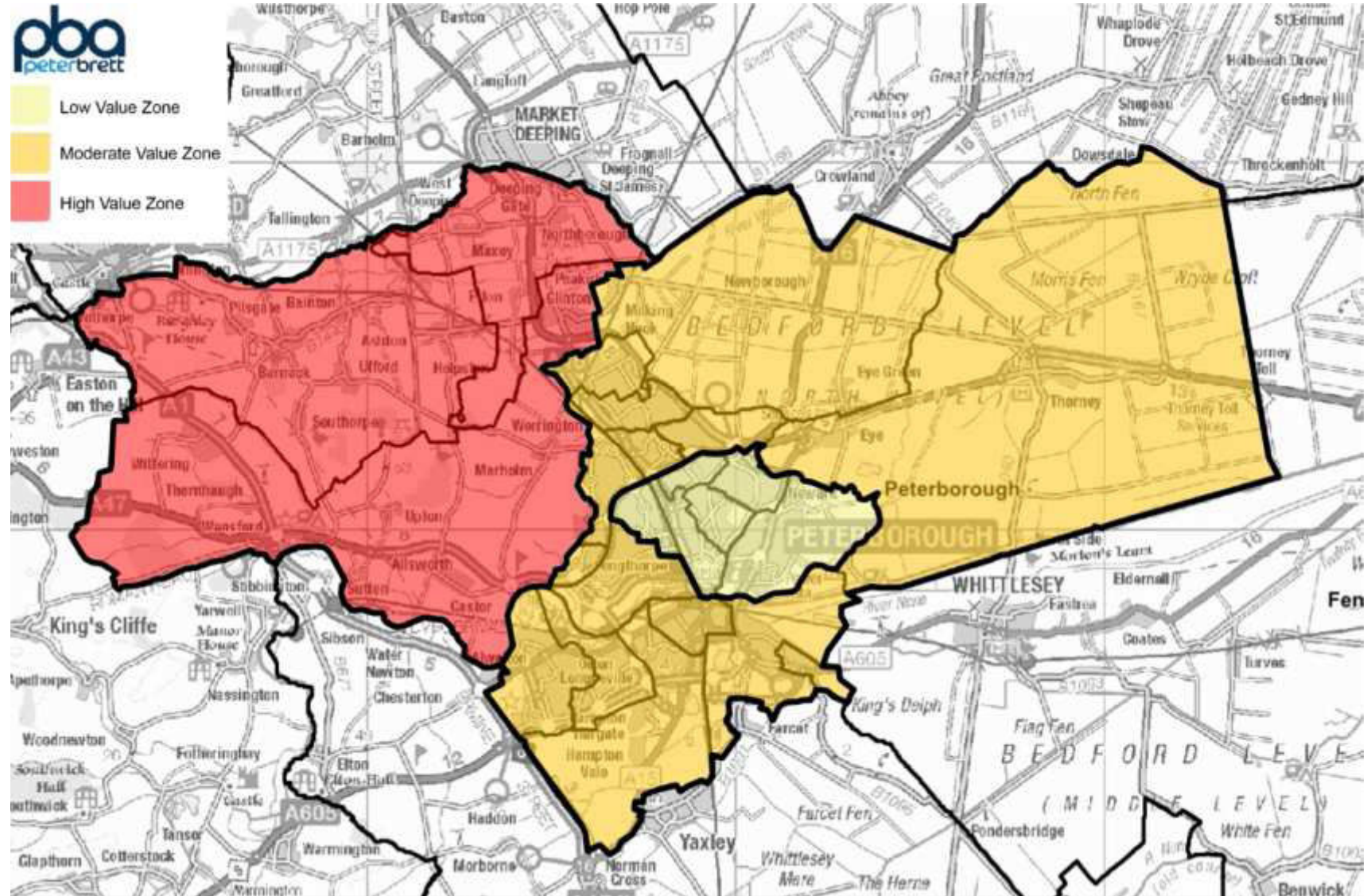
Site Type	Scenario	Maximum Potential CIL Rate (per sq. m)	Potential CIL Rate Range (per sq. m)
0.25 ha	Low Value	£179	£90 - £134
	Moderate Value	£184	£92 - £138
	High Value	£217	£108 - £163
1 ha	Low Value	£21	£10 - £16
	Moderate Value	£71	£35 - £53
	High Value	£106	£53 - £79

5 ha	Low Value	£30	£15 - £23
	Moderate Value	£79	£39 - £59
	High Value	£119	£59 - £89
14 apartment scheme	Low Value	£38	£19 - £29
	Moderate Value	£74	£37 - £56
	High Value	£127	£63 - £95
Strategic Sites	Hampton	£34	£17 - £25
	Norwood	£50	£25 - £37
	Great Haddon	£49	£24 - £37

Proposed Charging Zones

- 8.2.4 Based on the findings of the 'Heat Mapping' as set out in Section 4 above, we propose a three zone approach to CIL charges for residential development. In defining the zones, we have sought to group together wards which share similar values across each house type. The mapping clearly shows a consistent pattern of higher values to the west of Peterborough, lower values in Central Peterborough, and moderate values elsewhere. The proposed charge zones follow ward boundaries and are shown in Figure 8.1 below.

Figure 8.1: Proposed Residential Charge Zones



8.2.5 For clarity, the proposed zones cover the following wards:

- Low value zone – Central, Dogsthorpe, East, North, Park and Ravensthorpe.
- Moderate value zone – Bretton North, Bretton South, Eye and Thorney, Fletton, Newborough, Paston, Stanground Central, Stanground East, Orton Longueville, Orton Waterville, Orton with Hampton, Walton, Werrington North and Werrington South.
- High value zone – Barnack, Glinton and Wittering and Northborough.

8.2.6 Simplicity, as previously outlined, is important when producing the DCS; but it is also important to maximise the revenue opportunities to deliver infrastructure without constraining development.

8.2.7 The evidence gathered supports both suggested options. However, in order to maximise the revenues generated by the council, we recommend option 2 using three zones. The higher value areas show a level of viability that can accommodate the higher rate of £80 per sq. m which will increase the revenues generated and therefore the money contributing towards infrastructure projects.

8.3 Non-Residential Development Viability

8.3.1 The findings of the non-residential viability appraisals are set out in Section 5. The assessments showed that only supermarket, retail warehouse and neighbourhood convenience retail development are viable as speculative developments on the basis of the assumptions made. We consider charge rate options for these uses below. The analysis of potential CIL rate ranges, applying the same approach of drawing down to between 50% - £75% of the maximum potential charge rates, is shown below.

Table 8.2: Maximum non-residential rates and recommended rate ranges

Scenario	Maximum Potential CIL Rate (per sq. m)	Potential CIL Rate Range (per sq. m)
Retail warehouse	£105	£52 - £79
Supermarket	£214	£107 - £161
Neighbourhood Convenience	£22	£11 - £17

8.4 Draft Charging Schedule

8.4.1 Taking account of the rate ranges identified above; the desirability of a relatively simple charging schedule, and the need to balance maintaining development viability with the need to fund infrastructure required to enable growth, the Draft Charging Schedule is as follows:

Table 8.3: Draft Charging Schedule

Use	Value Area	Proposed CIL Charge (per sq. m)
Market houses on sites 15 units or more and apartments on sites of less than 15 units	Low Value	£15
	Moderate Value	£45
	High Value	£70
Market houses on sites of less than 15 units	Low Value	£100
	Moderate Value	£120
	High Value	£140
Houses at major residential development sites comprising over 500 units		£15
Retail warehousing		£70
Supermarkets		£150
Neighbourhood Convenience Retail		£15
All other development		£0

8.5 Revenue Projection

- 8.5.1 A revenue projection has been formulated to give the council an indication of the potential CIL revenues produce by the set rates. The table below aligns the rates with the level of development suggested over the development plan period. The CIL revenues are then calculated as a total for the plan period and then broken down into annual figures.

Table 8.4: Revenue Projections

CIL Revenue Projections		2015-2031								
Assumes Gt Haddon has planning permission by April 2015										
	CIL Charge per sq.m	No. units in plan period (note 1a)	Market units (note 1b)	Unit floorspace (note 2)	Gross floorspace (see note 3)	Estimated net additional proportion (see note 4)	Estimated net additional floorspace	Estimated CIL revenue in plan period	Estimated CIL revenue per annum	
Residential										
<15 Units										
Houses Low	£100	20	20	100	2,000	95%	1,900	190,000	11,875	
Houses Moderate	£120	238	238	110	26,180	95%	24,871	2,984,520	186,533	
Houses High	£140	189	189	120	22,680	95%	21,546	3,016,440	188,528	
Apartments Low	£15	47	47	45	2,115	95%	2,009	30,139	1,884	
Apartments Moderate	£45	76	76	45	3,420	95%	3,249	146,205	9,138	
Apartments High	£75	5	5	45	225	95%	214	16,031	1,002	
15+ Units										
Low	£15	180	126	100	12,600	95%	11,970	179,550	11,222	
Moderate	£45	2,143	1,500	110	165,003	95%	156,753	7,053,891	440,868	
High	£75	1,703	1,192	120	143,035	95%	135,883	10,191,258	636,954	
Apartments	£0	1,158	811	45	36,477	95%	34,653	-	-	
Strategic Sites	£15	2,300	1,610	110	177,100	95%	168,245	2,523,675	157,730	
Non-residential										
Retail - convenience	£150				11,500	95%	10,925	1,638,750	102,422	
Retail warehouse	£70				15,000	95%	14,250	997,500	62,344	
Retail - Neighbourhood Conv.	£15				6,250	95%	5,938	89,063	5,566	
Retail - TC comparison	£0				4,000	50%	2,000	-	-	
Industrial/warehousing	£0				150,000	95%	142,500	-	-	
Office	£0				122,000	95%	115,900	-	-	
Total								29,057,022	1,816,064	

9 Implementation

9.1 Introduction

9.1.1 This final section of our report sets out some of the issues involved in adopting and implementing the CIL.

9.2 Exceptional Circumstances & Discretionary Relief

9.2.1 Affordable housing is automatically exempt from paying CIL. In addition, the authority has the option to offer discretionary relief from CIL charges where the landowner is a charitable body and if the development is in line with its charitable purpose. This is a decision taken locally, although there are detailed rules governing entitlement to such relief and its amount. The CA must publish its policy for giving relief in such circumstances.

9.2.2 A CA can also give relief from the levy in exceptional circumstances, for example where a specific scheme would not be viable if it were required to pay the levy and a signed S106 agreement that was greater than the value of the CIL charge applicable. Where a CA wishes to offer exceptional circumstances relief it must first give notice publicly of its intention to do so. Claims for relief on chargeable developments from landowners should then be considered on a case by case basis. In each case, an independent person with suitable qualifications and experience must be appointed by the claimant with the agreement of the CA to assess whether:

- the cost of complying with the signed Section 106 Agreement is greater than the levy's charge on the development; and
- paying the full CIL charge would have an unacceptable impact on the development's economic viability.

9.3 Instalment Policy

9.3.1 Regulation 69B set out the simplified criteria for enabling a charging authority to instigate an instalments policy for CIL payments. The policy should only contain the following information:

- the effective date of the policy, and number of instalment payments;
- the amount or proportion of CIL payable in any instalment;
- when the instalments are to be paid based on time from commencement; and
- any minimum amount of CIL below which CIL may not be paid in instalments.

9.3.2 It will be useful to assess the general timeframes for the delivery of development schemes and then consider the phasing of the payments. A possible starting point could be a phased schedule of payments spread over two to three years with two or three payments over this timeframe. This will reduce the financial burden on developers who need to invest up front in infrastructure and construction before they can recoup any development costs through disposals. The council may wish to consider a minimum amount below which CIL may not be paid in instalments. Any such decision will need to be informed by an assessment of the level of 'smaller' developments that are anticipated.

9.3.3 Developments which are likely to have a more significant cashflow implication are likely to be those which have a construction period which extends beyond a year or where the scale of the

charge exceeds approximately £250,000 (very broadly equivalent to the likely charge from 50 houses).

Administration charges

- 9.3.4 There is provision within the CIL regulations (Regulation 61) to use up to 5 per cent of the CIL receipts towards the administration and set up expenses related to the operation and management of the levy. This will provide the Charging Authority with a useful source of funding to take a proactive approach towards infrastructure delivery and explore opportunities for generating revenue as well as charging.
- 9.3.5 The viability assessments undertaken as part of this study have not taken account of any administration charges that may be levied on developers; rather, they have assumed that the administration costs will be drawn from the levy receipts.

Use of CIL Receipts for Revenue Purposes

- 9.3.6 The CIL Regulations do allow for CIL receipts to be used for revenue purposes, (maintenance, management etc). However, the clear primary intent of the CIL is to deliver a pot of funding for capital investment in essential infrastructure, rather than to plug shortfalls in revenue budgets. In order to maximise the social and economic benefits of CIL, it is important that capital infrastructure spending is prioritised over revenue spending on maintenance and the like.
- 9.3.7 Therefore, it is proposed the CIL receipts in Peterborough will only be used for revenue spending in highly exceptional circumstances. It is important that other approaches to resolving any revenue budget problems, particularly approaches to negotiating and securing Commuted Sums, is fully exhausted before any calls on CIL receipts are made for revenue purposes.

Monitoring and Review

- 9.3.8 There are no prescribed review periods for a CIL charging schedule; it is a decision for the CA. We would expect this period to be between three to five years, although much will depend on market conditions and their impacts on development viability, as well as additional lessons learnt from the implementation of the CIL.
- 9.3.9 Clearly, the viability of most forms of development has been negatively affected by the recent recession and could be considered to be at or close to the trough in the market cycle at this time. We suggested that the council implements a programme of monitoring market conditions in relation to a series of trigger points for a review. We suggest this monitoring takes place on a 6-monthly basis.
- 9.3.10 It is known that development viability is most sensitive to changes in development value. Typically a 10% change in the value of development can increase or decrease viability by c30%. Similarly, a 10% change in build costs can affect development viability by c20%. Other factors which have a significant impact on viability include the density of development and policy requirements, both of which are likely to stay broadly the same over the time period being considered.
- 9.3.11 We therefore propose the following guidelines: If three or more of the following criteria are met, then a full review of the Charging Schedule should be considered:
- a 5% change in residential sales values since the date of adoption;
 - a 10% change in residential build cost since the date of adoption;

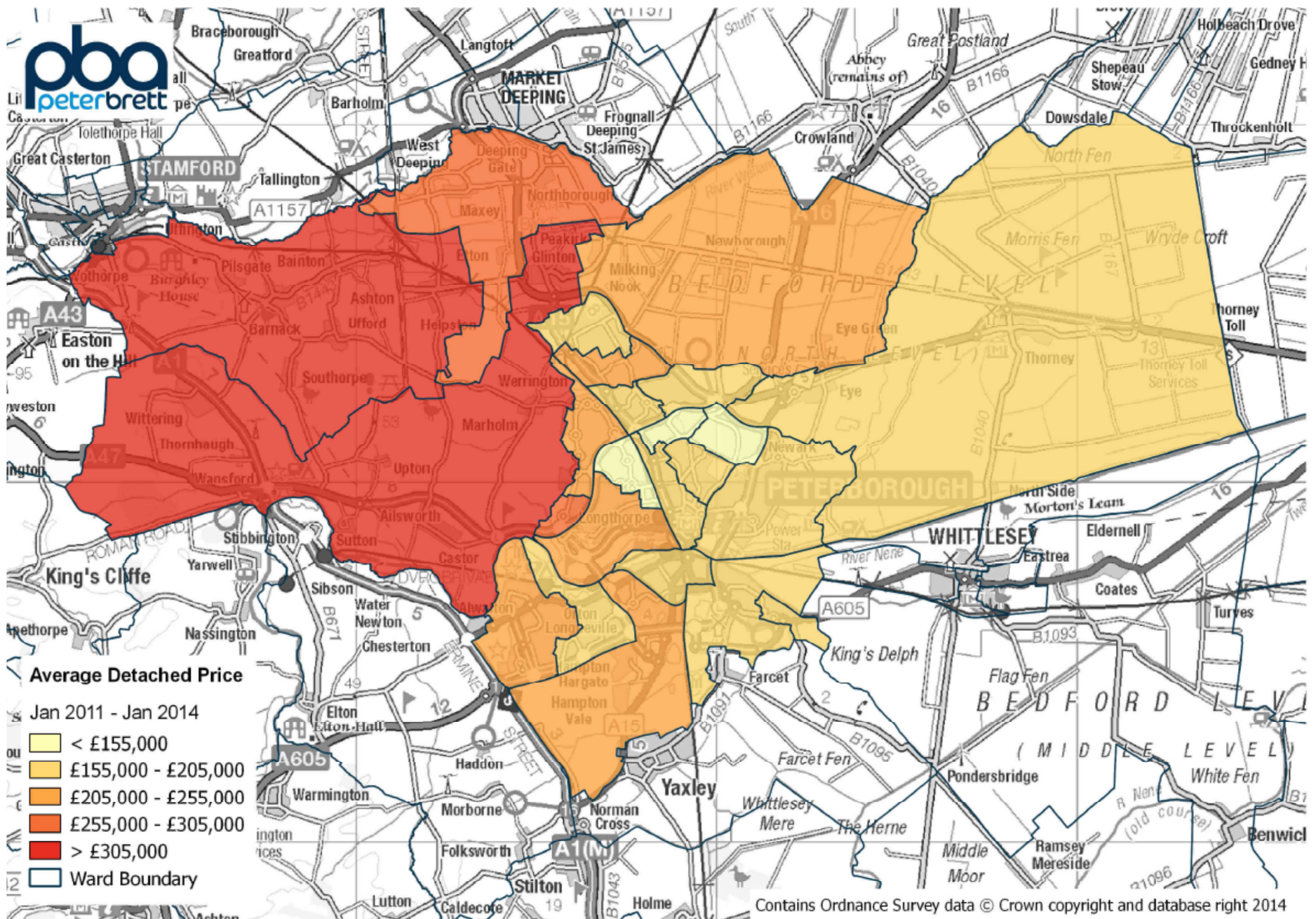
- a 10% change in office rental values since the date of adoption;
- a 10% change in office yields since the date of adoption;
- a 10% change in office build costs since the date of adoption;
- a 10% change in industrial rental values since the date of adoption;
- a 10% change in industrial yields since the date of adoption;
- a 10% change in industrial build costs since the date of adoption;
- a 10% change in town centre comparison retail rental values since the date of adoption;
- a 10% change in town centre comparison retail yields since the date of adoption;
- a 10% change in town centre comparison retail build costs since the date of adoption;
- a 10% change in supermarket rental values since the date of adoption;
- a 10% change in supermarket yields since the date of adoption;
- a 10% change in supermarket build costs since the date of adoption;
- a 10% change in retail warehouse rental values since the date of adoption;
- a 10% change in retail warehouse yields since the date of adoption;
- a 10% change in retail warehouse build costs since the date of adoption;

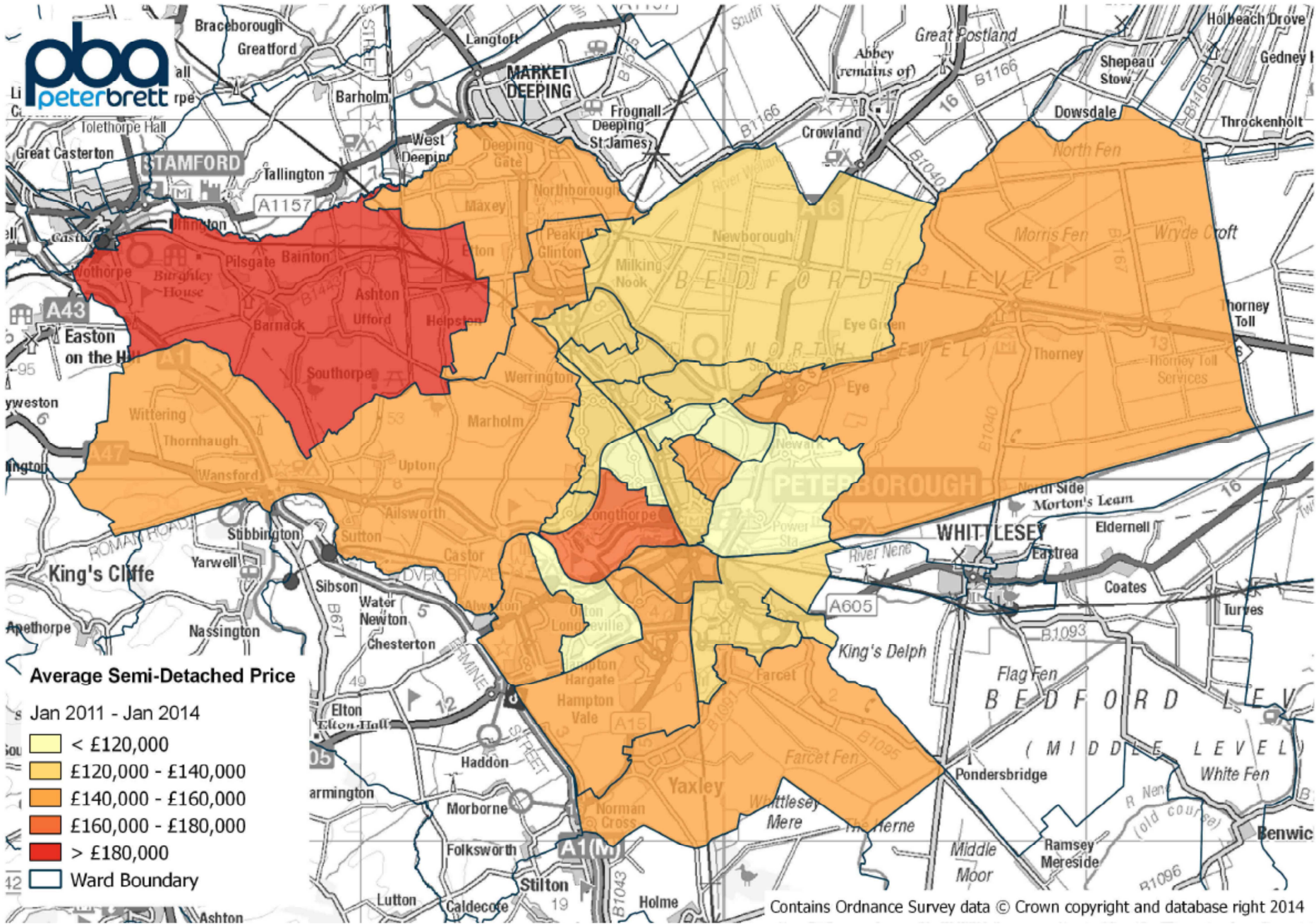
9.3.12 A review of the Charging Schedule should automatically occur if:

- The rate of residential development falls below 50% of the long term average for two consecutive years; or
- There is a significant revision to or departure from the Development Plan or a major windfall development is permitted.

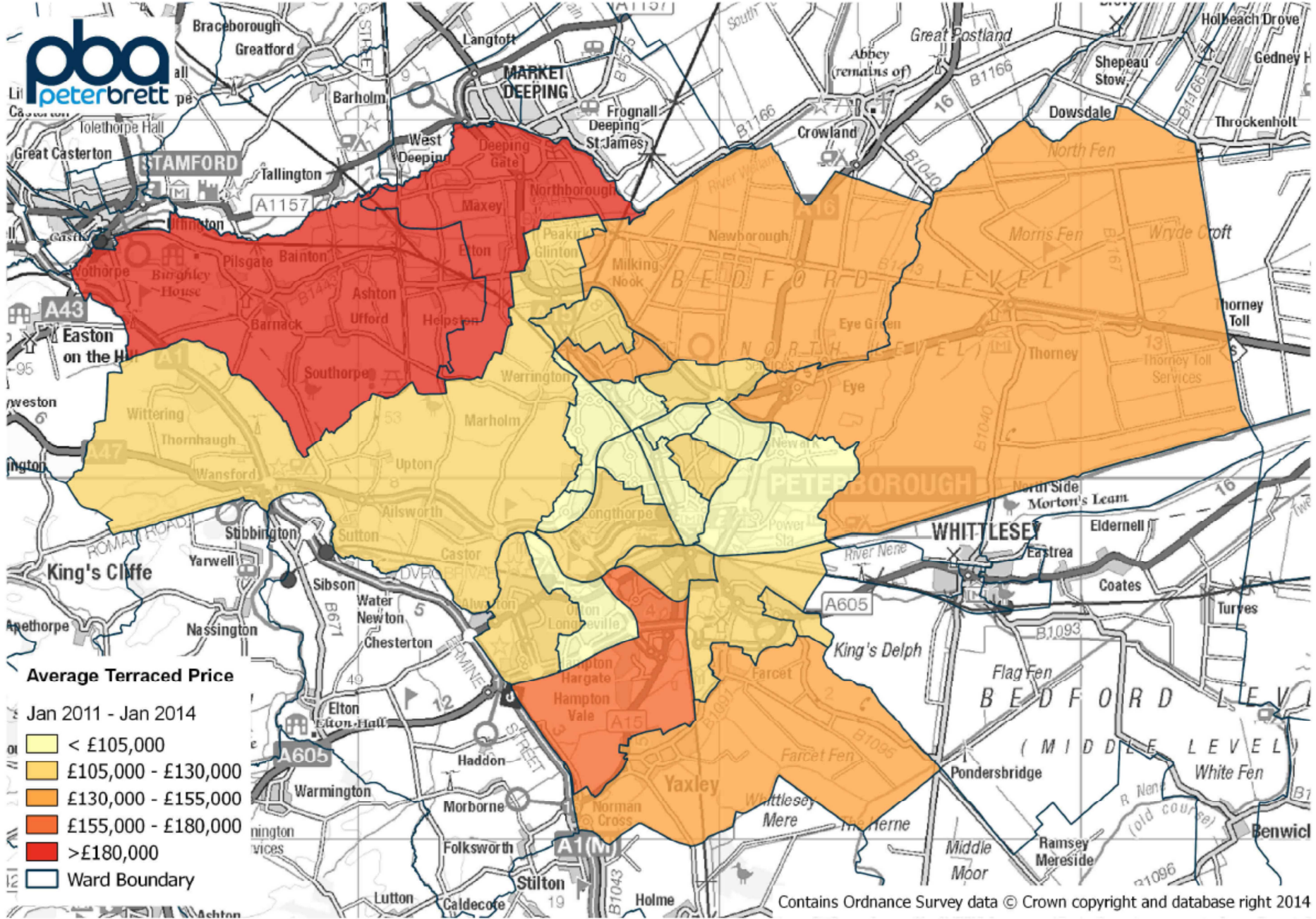
9.3.13 It should be noted that there is a requirement for the Charging Authority to publish a report on its website at the end of each year showing the level of CIL receipts collected and how these have been utilised.

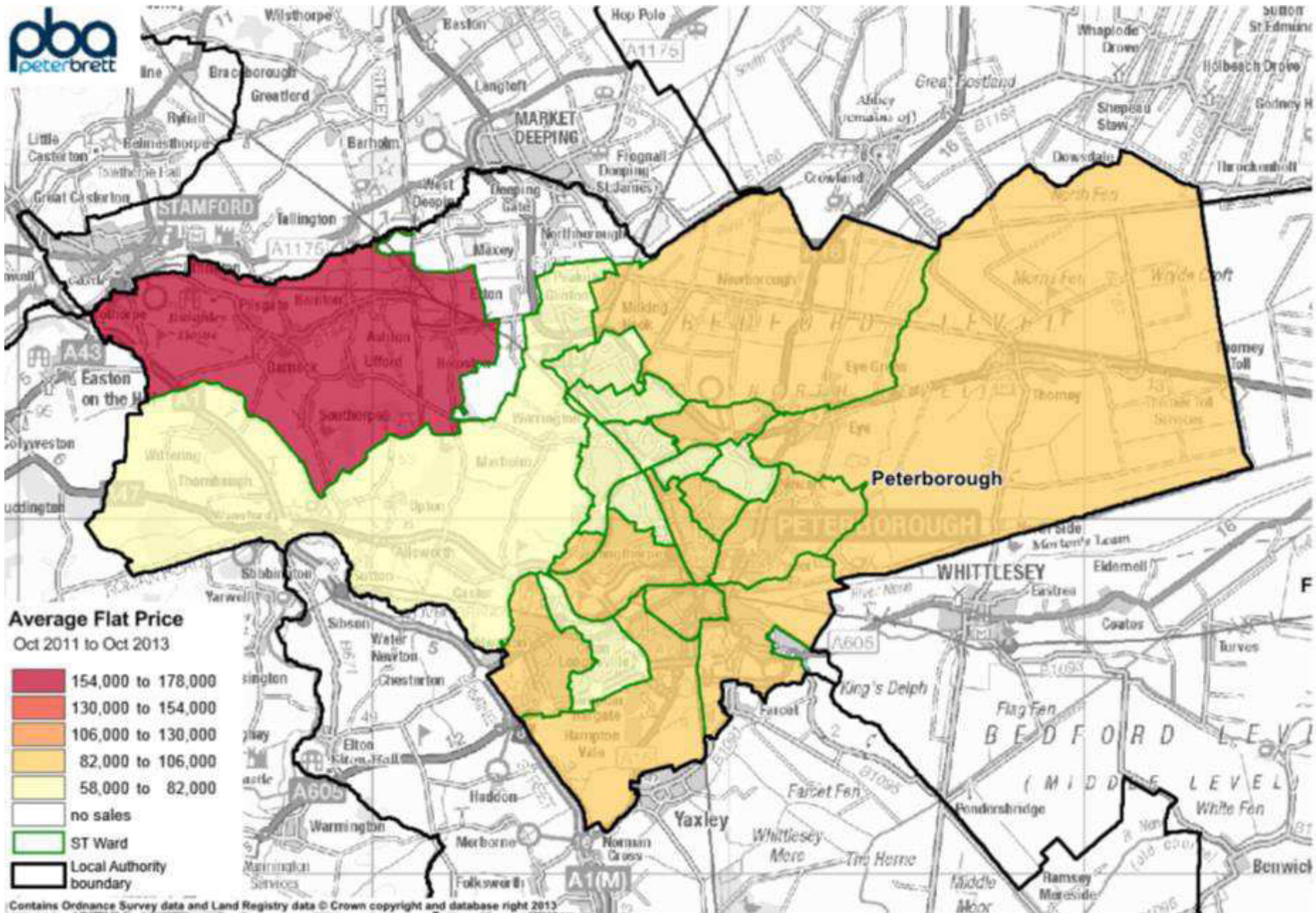
Appendix A Residential Heat Mapping





Contains Ordnance Survey data © Crown copyright and database right 2014





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APPENDIX G - NEIGHBOURING AUTHORITIES - CIL CHARGES

As at 25.02.14

AUTHORITY	CURRENT STATUS	CHARGES
Cambridge City	DCS – Going through Committee cycle. Adopt early 2015	£125/m2 Residential & Student Accommodation. £75/m2 Retail £0/m2 All other development
East Cambridgeshire	CIL came into force on 1 st Feb 2013	£40/m2 Residential Zone A (Littleport & Soham) £70/m2 Residential Zone B (Ely) £90/m2 Residential Zone C (Rest of District) £120/m2 Retail £0/m2 All other
South Cambridgeshire	PDCS 19 th July 2013 DCS – Due April 2014	£100/m2 Residential £0/m2 Residential Strategic Sites £125/m2 Residential land north Teversham Drift £50/m2 Retail (up to 280m2) £125/m2 Retail (>280m2) £0/m2 All other uses
Huntingdonshire	CIL approved 25 th April 2012	£85/m2 All development types, except:- £40/m2 Retail (up to 500m2) £100/m2 Retail (>500m2) £60/m2 C1 Hotels £45/m2 C2 Nursing Homes £65/m2 D1 Health £0/m2 B1, B2, B8, Community Uses (within D1 except Health & D2) & Agriculture
Fenland District Council	Commencing Viability Study work (Feb 2014)	

Rutland County Council	PDCS May 2013	<p>£100/m2 Residential</p> <p>£10/m2 Distribution B8</p> <p>£150/m2 Food Retail (Supermarkets)</p> <p>£150/m2 Retail Warehouses</p> <p>£150/m2 Hotel C1</p>
East Northamptonshire Council	PDCS Nov 2012	<p>£150/m2 Residential (High Value – Pink on Map)</p> <p>£100/m2 Residential (Med Value – Yellow on Map)</p> <p>£50/m2 Residential (All other areas – Blue on Map)</p> <p>£125/m2 Retail (>280m2)</p> <p>£0/m2 All other</p>
South Kesteven District Council	“The Council has not yet made a decision on the introduction of CIL.” (April 2014)	
South Holland District Council	Still considering whether to have CIL – Viability assessment to be done. (April 2014)	

Appendix H
Likely relationship between S106 and CIL

	Residential development on non-strategic sites (1- 499 dwellings)		Residential development on strategic sites (500+ dwellings)	
	CIL £15 - £140/m²	S106 Obligation	CIL £15/m²	S106 Obligation
Infrastructure Type	Contribution can be used for	Contribution can be used for	Contribution can be used for	Contribution can be used for
Transport	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Education	✓ (Off-site provision)	✗ (No Site Specific Prov'n if <500 dwellings)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Affordable Housing	✗	✓ (Site Specific Prov'n if >14 dwellings)	✗	✓ (Site Specific Prov'n)
Lifetime Homes	✗	✓ (Site Specific Prov'n if >14 dwellings)	✗	✓ (Site Specific Prov'n)
Wheelchair Homes	✗	✓ (Site Specific Prov'n if >50 dwellings)	✗	✓ (Site Specific Prov'n)
Emergency Services	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Primary Health Care	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Crematorium/Burial grounds	✓	✗	✓	✗
Non-Strategic Outdoor Open Space	✓ (Off-site provision)	✓ (Site Specific Prov'n if >14 dwellings)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Strategic Outdoor Open Space	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Strategic Green Infrastructure	✓	✗	✓ (City-wide. Projects Only)	✗
Indoor Sports Facilities	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Community Buildings	✓ (Off-site provision)	✗ (No Site Specific Prov'n if <500 dwellings)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Libraries, Museum and Life Long Learning	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Public Realm	✓	✗	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Environment Capital	✗	Condition	✗	Condition / ✓ (Site Specific Prov'n)
Site Drainage	✗	Condition	✗	Condition
Flood Risk Management & Protection	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Waste Management	✓ (City-wide. Projects Only)	Condition	✓ (City-wide. Projects Only)	✓ (Site Specific Prov'n)
Other Infrastructure	Refer to CIL R.123 List	Case by Case	Refer to CIL R.123 List	Case by Case
Key				

✓	Only CIL may be used for this infrastructure type/project
✘	CIL or S106 planning obligation will not be sought for this infrastructure type/project (as appropriate column)
Condition	Site specific matters relating to this infrastructure type most likely to be covered by condition i.e. use of planning obligation unlikely.
✓ (City-wide. Projects Only)	CIL will be charged, but may only be used on city-wide projects or strategic projects.
✓ (Off-site provision)	CIL will be charged, but may only be spent for off-site provision where on-site provision is not feasible. This may include off-site local or neighbourhood level projects (as opposed to solely city-wide or strategic projects).
✓ (Site Specific Prov'n)	Infrastructure secured through a S106 planning obligation that is required to be delivered on-site, but can include off-site works within the immediate vicinity, that are required to mitigate unacceptable consequences of the proposal, such a new road junction/improvement.
✓ (Site Specific Prov'n if >X dwellings)	S106 planning obligation will only be sought on developments involving more than the specified numbers dwellings for site specific provision infrastructure of the type listed.

COUNCIL	AGENDA ITEM No. 10
23 JULY 2014	PUBLIC REPORT

RECORD OF EXECUTIVE DECISIONS MADE SINCE THE LAST MEETING

1. DECISIONS FROM CABINET MEETING HELD ON 30 JUNE 2014

PETERBOROUGH COMMUNITY INFRASTRUCTURE LEVY (CIL) DRAFT CHARGING SCHEDULE

Cabinet received a report following approval of a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS) on 24 September 2012, and following six weeks public consultation and further evidence gathering including viability assessment since that date.

The purpose of the report was to enable Cabinet to consider and recommend to Council the Peterborough Draft Charging Schedule. If it was approved by Council, it would be published for public consultation and then submitted to the Secretary of State who would appoint an independent Planning Inspector to carry out an Examination in Public.

Cabinet considered the report and **RECOMMENDED:** *(to Council, as detailed within the Executive and Committee Recommendations to Council report at agenda item 9);*

1. The Peterborough Community Infrastructure levy (CIL) Draft Charging Schedule to Council for approval for the purposes of public consultation and Submission of Draft Charging Schedule and associated material to Planning Inspectorate for Examination in Public and

Cabinet further **RESOLVED** to:

2. Approve the Infrastructure Delivery Schedule Update 2014.

THE STRATEGY FOR PEOPLE WITH DEMENTIA AND THEIR CARERS

Cabinet received a report following a referral from CMT on 10 June 2014. The report set out the Strategy for People with Dementia and their Carers and requested Cabinet to approve the Strategy for adoption and implementation.

Cabinet considered the report and **RESOLVED** to:

Approve the Strategy for People with Dementia and their Carers for adoption.

CONCORDAT FOR JOINT WORKING BETWEEN PETERBOROUGH CITY COUNCIL, CAMBRIDGESHIRE COUNTY COUNCIL AND HEALTH ORGANISATIONS ACROSS PETERBOROUGH AND CAMBRIDGESHIRE

Cabinet received a report which sought its approval for a Concordat for joint working between Peterborough City Council, Cambridgeshire County Council and all Health Organisations across Peterborough and Cambridgeshire.

Cambridgeshire and Peterborough had been identified as one of 11 Local Health Economies nationally who were being supported with external assistance in their development of aligned strategic plans to address the financial challenges they face.

This joint work was being sponsored by NHS England Monitor and the Trust Development Authority and supported locally by Cambridgeshire and Peterborough Clinical Commissioning Group. Price Waterhouse Coopers (PwC) had been selected to undertake an initial three month exercise to scope the work that needed to be undertaken. This work would result in a report being produced. The Council, along with Cambridgeshire County Council had been included in the joint working because of their responsibility for social care.

A Concordat had been drawn up to describe how all the organisations included in the work were tasked with working together to develop solutions for the future. The Cabinet was asked to approve the Concordat on behalf of the Council

Cabinet considered the report and **RESOLVED**:

1. To endorse the Concordat for joint working across Peterborough and Cambridgeshire Health and Social Care Economy; and
2. To note the external assistance being offered to Peterborough and Cambridgeshire as one of the 11 Challenged Health Economies.

BUGET MONITORING REPORT FINAL OUTTURN 2013-14

Cabinet received a report as a monitoring item as a referral from CMT on 10 June 2014. The report was also to be submitted to the Audit Committee on 30 June 2014 as part of the annual closure of accounts process.

The report informed Cabinet of the final financial position for the revenue budget, capital programme and final reserves position for 2013/14.

The report also contained performance information on treasury management activities, payment of creditors and collection performance for debtors, local taxation and benefit overpayments.

Cabinet considered the report and **RESOLVED** to note:

1. The final outturn position of £622k under spend on the Council's revenue budget 2013/14 and that this is an improvement since the probable outturn position, of which £291k was a government grant received on the 28 March 2014 to return 'held back' local government funding;
2. The final outturn position of £90.9m on the Council's capital budget 2013/14;
3. The reserves position for the Council;
4. The performance against the prudential indicators; and
5. The performance on treasury management activities, payment of creditors, collection performance for debtors, local taxation and benefit overpayments.

OUTCOME OF PETITIONS

Cabinet received a report which updated it on the progress made in response to petitions submitted to Full Council on 16 April 2014.

Cabinet considered the report and **RESOLVED** to:

Note the action taken in respect of petitions presented to Full Council.

2. CALL-IN BY SCRUTINY COMMITTEE OR COMMISSION

Since the publication of the previous report to Council, the call-in mechanism has not been invoked.

3. SPECIAL URGENCY AND WAIVE OF CALL-IN PROVISIONS

Since the publication of the previous report to Council, the urgency provisions have not been invoked.

4. CABINET MEMBER DECISIONS

CABINET MEMBER AND DATE OF DECISION	REFERENCE	DECISION TAKEN
Councillor John Holdich 3 April 2014	APR14/CMDN/35	Closure of William Law Voluntary Aided Primary School, Academy Transfer Agreement and Lease of Premises The Cabinet Member approved the closure of William Law Voluntary Aided Primary School and the execution of a commercial transfer agreement and to grant a 125 year lease of the playing field of the premises known as William Law Voluntary Aided Primary School to the governing body of the new academy from 1 May 2014.
Councillor Wayne Fitzgerald 7 April 2014	APR14/CMDN/36	Integrated Community Equipment Service Contract Award The Cabinet Member approved the award of a five year contract with the option to extend for two years for an Integrated Community Equipment Service contract to Nottingham Rehab Supplies Healthcare at a total possible cost of £7,000,000 (£5,000,000 for the initial contract, £2,000,000 for the extension).
Councillor John Holdich 8 April 2014	APR14/CMDN/37	Appointment of Authority Governor – Hampton Hargate Primary School The Cabinet Member appointed Mr Andrew Cundy as authority governor nominated by the school.
Councillor David Seaton 14 April 2014	APR14/CMDN/38	Housing Related Support Agreements 2014/15 The Cabinet Member: 1. Awarded specific grants for the continued provision of housing related support funded through public health funding to the following organisations for the period of 1 April 2014 to 31

		<p>March 2015;</p> <p>a) Peterborough and Fenland MIND Floating Support Service - £21,333.60</p> <p>b) Peterborough Woman's Aid – Refuge Service - £60,205.69</p> <p>c) NACRO STORM Project – Floating Support - £35,200.32</p> <p>2. Awarded specific grants for the provision of housing related support funded through the Housing Related Support (formally Supporting People) Programme to the following organisations for the period of 1 April 2014 to 31 March 2015;</p> <p>a) Axiom Housing Association – Hostel Accommodation and Drop-in Services - £530,000.00</p> <p>b) Cross Keys Homes – Hostel Accommodation - £99,109.00</p> <p>c) Genesis Housing Association – Hostel Accommodation - £58,066.46</p> <p>d) Home Group (Stonham) – Hostel Accommodation - £73,375.15; and</p> <p>e) YMCA – Hostel Accommodation - £250,059.39.</p>
<p>Councillor David Seaton</p> <p>15 April 2014</p>	<p>APR14/CMDN/39</p>	<p>Discretionary Rate Relief from Business Rates on the Grounds of Hardship</p> <p>The Cabinet Member considered applications for hardship relief from the companies named in the exempt annex (to the CMDN) and accepted the recommendation that the applications be refused.</p>
<p>Councillor Marco Cereste</p> <p>25 April 2014</p>	<p>APR14/CMDN/40</p>	<p>Local Transport Plan Programme of Works 2014/15</p> <p>The Cabinet Member / Officer approved the 2014/15 Local Transport Plan (LTP) Programme of Works contained in the annexes 1-4 (as attached to the CMDN) as follows:</p> <ul style="list-style-type: none"> · The 2014/15 Integrated Transport Programme (annex 1); · The 2014/15 Highway Maintenance Programme (annex 2); · The 2014/15 Street Lighting Maintenance Programme (annex 3); and · The 2014/15 Bridge Maintenance Programme (annex 4).
<p>Councillor Marco Cereste</p> <p>8 May 2014</p>	<p>MAY14/CMDN/41</p>	<p>Appointment of Representatives to the new Development Company</p> <p>The Cabinet Member approved the recommendation to appoint himself, Cllr Marco Cereste, and Cllr Peter Hiller as Directors to the board of the Council's Joint Venture</p>

		Company for the delivery of future growth in Peterborough.
Councillor Marco Cereste 12 May 2014	MAY14/CMDN/42	Appointment of Representatives to the New Development Company The Cabinet Member approved the recommendation to appoint Councillor John Holdich as a second Director to the Board of the Joint Venture Company for the delivery of future growth in the city.
Councillor David Seaton 14 May 2014	MAY14/CMDN/43	City College Extension Project The Cabinet Member: 1. Awarded the design and build contract to Kier Construction, under the terms and conditions of the London Housing Corporation Schools and Community Buildings Framework, to construct an extension and remodelling of an existing block at City College to accommodate the expansion of accommodation for students with learning difficulties and disabilities up to the value of £1,075,000. This sum shall also include funding for all site surveys, project management and technical advisers fees; and 2. Authorised the Director of Governance to enter into any legal documentation on behalf of the Council in relation to this matter.
Councillor David Seaton 14 May 2014	MAY14/CMDN/44	Financial System Services The Cabinet Member: 1. Authorised the Executive Director Resources to agree to a Change Control Notice for the Council's existing ICT and Peterborough Serco Strategic Partnership Contract with Serco for the purchase of the Licences, implementation and on-going support for Agresso Business World for the target cost sum of up to£1,280,598 and an annual maintenance and support cost of£88,346; and 2. Authorised the Executive Director Resources to vary this Change Control Notice if, during the Design Process stage, the Council has to amend its detailed business requirements. Any amendment will be subject to available funding.
Councillor David Seaton 9 June 2014	JUN14/CMDN/45	Discretionary Rate Relief from Business Rates for Charities, Similar Organisations not Established or Conducted for Profit and Rural Business The Cabinet Member approved the award of Discretionary Rate Relief for charities and similar organisations shown on the attached schedule at Appendix A to the CMDN to 31 March 2015.

<p>Councillor Wayne Fitzgerald</p> <p>11 June 2014</p>	<p>JUN14/CMDN/46</p>	<p>Contract Award for Carers</p> <p>The Cabinet Member awarded a contract for the delivery of a Carers Service in Peterborough to the Carers Trust for a maximum total value of £1,400,000.</p>
<p>Councillor John Holdich</p> <p>2 June 2014</p>	<p>JUN14/CMDN/52</p>	<p>Eastern Shires Purchasing Organisation (ESPO) Consortium Agreement</p> <p>The Cabinet Member:</p> <ol style="list-style-type: none"> 1. Confirmed the Council's continued membership of the joint committee known as the Eastern Shires Purchasing Organisation (ESPO); 2. Approved the draft Consortium Agreement; 3. Authorised the Head of Legal Services to execute the Consortium Agreement; and 4. Authorised the Head of Legal Services to agree the Agreement recording Leicester City's exit from the Consortium subject to those amendments having no budgetary impact for the Council.
<p>Councillor John Holdich</p> <p>4 July 2014</p>	<p>JUL14/CMDN/53</p>	<p>School Term Dates 2015/2016</p> <p>The Cabinet Member approved the proposed term dates for the academic year 2015/16.</p>
<p>Councillor Marco Cereste</p> <p>7 July 2014</p>	<p>JUL14/CMDN/54</p>	<p>Affordable Housing Capital Funding Award for a Scheme Proposed at Maskew Avenue</p> <p>The Cabinet Member approved the allocation of £300,000 from the Affordable Housing Capital Fund to Axiom Housing to enable the delivery of 15 affordable housing units to be provided through conversion work to Axiom Housing Association's former office accommodation located at Maskew Avenue.</p>
<p>Councillor John Holdich</p> <p>9 July 2014</p>	<p>JUL14/CMDN/55</p>	<p>Dogsthorpe Junior School Academy Conversion</p> <p>The Cabinet Member:</p> <ol style="list-style-type: none"> 1. Approved the closure of Dogsthorpe Junior School; 2. Approved the execution of a commercial transfer agreement; and 3. Granted a 125 year lease of the premises known as Dogsthorpe Junior School at a peppercorn rent to Greenwood Academies Trust from 1 September 2014.

COUNCIL	AGENDA ITEM No. 12
23 JULY 2014	PUBLIC REPORT

MOTIONS ON NOTICE

The following notices of motion have been received in accordance with the Council's Standing Order 13.1:

1. Motion from Councillor Julia Davidson

That this Council:

1. Endorses the election of Councillor David Over as Mayor for this municipal year, believing that he is a popular and long serving councillor and hence very deserving of this appointment.

However, the council is in no overall control, and therefore it is no longer tenable for the nomination of Mayor to be solely in the hands of the Conservative Group;

2. Therefore requests the various groups on the Council to get together, through the Constitutional Review Group; and find a formula to enable opposition Councillors to take the post of mayor in some Future years.

This could be through the post going to the most long serving councillor or some other mechanism based on the proportion of seats which each party holds on the council. What we must do is to avoid the Post of Mayor becoming a political football or something in the sole gift of the council leader; and

3. Requests that a report be submitted to a Full Council Meeting no later than December 2014, Outlining proposals for change to a New System for electing our city mayor.

2. Motion from Councillor Darren Fower

That this Council notes that:

1. Peterborough City Council recently received millions of pounds, partly funded from the EU, to improve roads and safety in our city;
2. In the last decade there have been further grants of millions of pounds for various schemes, received directly as a result of our country's membership of the EU to help improve city standards;
3. Nearly 10,000 jobs in this city are reliant upon our connection and trade with Europe;
4. We are a city that has, always, included a variety of communities consisting of immigrants from various countries, such as Polish, Ukrainian, Italian etc.;

5. We are twinned with the following European cities, Viersen, Forli and Vinnitsa; and

Therefore we believe that it is time this Council showed a more respectful and less immature stance, by re-erecting the flag of the European Union in this chamber to show and promote an image of a local authority that recognises the roles and responsibilities of the European Union, celebrates diversity and the need to secure the safety of future generations

3. Motion from Councillor Darren Fower

That this Council:

1. Notes that the year is 2014, the city has a population of 186,000, it is likely over 50% are in some way online, whether that's via social media or simply surfing the net;
2. Believes therefore, that it is time we started communicating with the people of Peterborough in a way that suits them, and not solely in a way that benefits the Council; and
3. Agrees to set up working group to look at costs and ways to establish live broadcasting of Full Council meetings for people to watch at their leisure and at a time of their choosing.

COUNCIL	AGENDA ITEM No. 13(a)
23 JULY 2014	PUBLIC REPORT

LOCAL GOVERNMENT PENSION SCHEME DISCRETIONARY POLICY

R E C O M M E N D A T I O N S
FROM : Head of Human Resources
That Council agrees the revised copy of the Local Government Pension Scheme (LGPS) discretionary policy (APPENDIX A) which has been updated to take account of the April 2014 changes to the pension scheme

1. PURPOSE AND REASON FOR REPORT

- 1.1 All employers in the Local Government Pension Scheme (LGPS) are required to formulate, publish and keep under review a statement of policy on certain discretions in the scheme. The draft revised policy includes new discretions arising from the LGPS regulations that came into force on 1 April 2014. The policy also includes the previously published discretions which apply to the 2008 and the 1997 regulations.
- 1.2 The 2008 discretions apply to scheme members who ceased active membership between 1 April 2008 - 31 March 2014. The 1997 discretions apply to scheme members who ceased active membership between 1 April 1998 – 31 March 2008.
- 1.3 There is no proposal to change the discretions that were previously in place. However, there are certain discretions applicable from 1 April 2014 that will require agreement before the policy becomes effective.

2. BACKGROUND (& CONSULTATION)

- 2.1 A copy of the published policy statement must be sent to the Pension Fund administering authority. (Local Government Shared Services administer the scheme on behalf of Cambridgeshire County Council).
- 2.2 In formulating and reviewing its policy the council is required by the regulations to have regard to the extent to which the exercise of its discretionary powers could lead to a serious loss of confidence in the public service. The revised policy has been written taking account of advice from Local Government Shared Services, agreed by Corporate Management Team, and has been shared with the joint trade unions.

3. IMPLICATIONS

- 3.1 The policy allows the council to take consistent, fair decisions when dealing with a request from a pension scheme member. The HR department respond in the first instance to all applications. The adjudicator for the decisions is the Head of HR. The Chief Executive must approve any decisions that are outside of the agreed policy.

4. BACKGROUND DOCUMENTS

Understanding Employer Discretions and Policies – Local Government Association 17
March 2014

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Local Government Pension Scheme Discretionary Policy – Part A (2014 scheme)

Background

The regulations of the LGPS require every employer to (i) issue a written policy statement on how it will exercise the various discretions provided by the scheme, (ii) keep it under review and (iii) revise it as necessary.

Flexible Retirement

**Local Government Pension Scheme Regulations 2013
Regulation 30 (6)**

**Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014
Regulation 11 (2)**

Peterborough City Council will consider requests from employees aged 55 or over to reduce their hours, or move to a position on a lower grade, and elect in writing to draw some or all of the pension benefits already built up. Where there is a cost to Peterborough City Council it is unlikely that the request will be agreed.

This does not preclude younger employees requesting flexible working but without the payment of their retirement benefits.

Flexible Retirement

**Local Government Pension Scheme Regulations 2013
Regulation 30 (8)**

Where flexible retirement is approved it is not the policy of Peterborough City Council to waive any reduction applied to the pension benefit due to the early payment.

Peterborough City Council will not waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.

85 year rule

**Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014
Schedule 2, paragraphs 1(2) & 2 (2)**

It is not the policy of Peterborough City Council to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 unless:-

- (i) it is to bring an earlier deferred benefit into payment following redundancy, or efficiency retirement of an existing employee from a current job in Peterborough City Council, or
- (ii) if there are compelling, compassionate* reasons to do so.

Waiving of actuarial reduction

**Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014
3(1), Schedule 2, paragraph 2(1) and 2(2), B30(5) and B30A(5)**

It is not the policy of Peterborough City Council to waive, on compassionate grounds the actuarial reduction applied to benefits from pre 1/4/14 membership where the employer has “switched on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

**Shared Cost Additional Pension Contributions
Local Government Pension Scheme Regulations 2013
Regulation 16 (2) (e) &
Regulation 16 (4) (d)**

It is not the policy of Peterborough City Council to contribute to a Shared Cost Additional Pension Contribution contract.

**Additional Pension
Local Government Pension Scheme Regulations 2014
Regulation 31**

It is not the policy of Peterborough City Council to grant additional pension to an active member, or within six months of ceasing to be an active member by reason of redundancy or business efficiency.

Unless an employee who would be eligible for a lump sum compensation payment under our Discretionary Compensation Policy requests that they be awarded, instead, additional pension under the LGPS regulations, which is actuarially equivalent in value to the lump sum compensation payment (in excess of the statutory redundancy payment) that would otherwise have been paid under our Discretionary policy, provided that the award of additional pension would not exceed the statutory limit.

The following discretions are not compulsory to include in the Policy Statement but are recommended to be included:

**Late application (after 12 months of joining) to aggregate two periods of membership
Local Government Pension Scheme Regulations 2013
Regulation 22 (7) and (8)**

It is not the policy of Peterborough City Council to consider allowing the aggregation of two periods of LGPS membership after twelve months of joining unless:

- (i) the scheme member has requested that investigations commence within the twelve month time limit, or
- (ii) if there is reason to believe that the individual would not have known of the need to request an investigation into potential aggregation within the twelve month time limit, and the HR &/or pension files support this
- (iii) it would have been unreasonable for the scheme member to understand that they had more than one period of service (this being particularly an issue where individuals hold multiple jobs).

**Late application (after 12 months of joining) to transfer other pension rights into the LGPS
Local Government Pension Scheme Regulations 2013
Regulation 100(6)**

It is not the policy of Peterborough City Council to consider extending the time limit for a transfer in of previous pension rights to proceed after twelve months of joining unless:

- (i) the scheme member has requested that investigations commence within the twelve month time limit, or
- (ii) if there is reason to believe that the individual would not have known of the need to request an investigation into potential transfer in of previous pension rights within the twelve month time limit, and the HR &/or pension files support this, and
- (iii) with the agreement of the administering authority.

**Calculation of pension tier
Local Government Pension Scheme Regulations 2013
Regulations 9 and 10**

The tiered contribution rate for each employee will be based on the total pensionable pay in the previous financial year.

The contribution rate will be re-assessed annually on implementation/application (regardless of when the award is made) of the annual pay award. Re-assessment will take place at any point in the year in the following circumstances:-

- Promotion
- Demotion
- Incremental progression
- Pay award
- Acting up starts/Acting up ceases
- Contractual Allowance starts/Contractual Allowance ceases
- Contractual Hours increase/Contractual Hours decrease.
- Additional hours increase or decrease or
- When there is any significant change in pay.

**Shared Cost Additional Voluntary Contribution scheme
Local Government Pension Scheme Regulations 2013
Regulation 17
Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014
Regulation 15 (1) (d)**

It is not the policy of Peterborough City Council to contribute towards a shared cost additional voluntary contributions scheme.

**Assumed Pensionable Pay
Local Government Pension Scheme Regulations 2013
Regulations 21(4)(a)(iv), 21(4)(b)(iv), 21 (5)**

Regular lump sum payments will not be included in the calculation of Assumed Pensionable Pay.

Local Government Pension Scheme Discretionary Policy – Part B (2008 scheme)

Background

The regulations of the LGPS require every employer to (i) issue a written policy statement on how it will exercise the various discretions provided by the scheme, (ii) keep it under review and (iii) revise it as necessary.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 12

It is not the policy of Peterborough City Council to increase total membership.
(This decision is entirely spent after 30th September 2014 as additional pension can only be awarded to an active member or within six months of leaving under redundancy or business efficiency).

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30 (2)

It is not the policy of Peterborough City Council to release pension early unless:-

- (i) it is to bring an earlier deferred benefit into payment following redundancy, or efficiency retirement of an existing employee from a current job in Peterborough City Council, or
- (ii) if there are compelling, compassionate* reasons to do so.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30 (5)

It is not the policy of Peterborough City Council to waive the actuarial reduction on early payment of pension unless:-

- (i) the payment relates to someone who is being made redundant or taking efficiency retirement from active employment with Peterborough City Council, or
- (ii) if there are compelling, compassionate* reasons to do so.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30A (3)

It is not the policy of Peterborough City Council to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 unless there are compelling, compassionate* reasons for doing so.

LGPS (Benefits, Membership & Contributions) Regulations 2007 Regulation 30A (5)

It is not the policy of Peterborough City Council to waive on compassionate grounds the actuarial reduction applied to benefits paid early under Regulation 30 (A).

Local Government Pension Scheme Discretionary Policy – Part B (2008 scheme)

Background

There are further discretions that are not compulsory to include in the Policy Statement but that are recommended to be included:

LGPS (Administration) Regulations 2008 Regulation 22 (2)

It is the policy of Peterborough City Council to consider an extension in cases where the member of staff was not notified of their rights to pay contributions in respect of a period of absence before returning to work, or ceasing to be employed without returning to work. The extension would be for one month from the date that they were notified of their right to pay.

LGPS (Administration) Regulations 2008 Regulation 16 (4)

It is not the policy of Peterborough City Council to consider allowing the aggregation of two periods of membership after twelve months of joining unless:

- (iv) the scheme member has requested that investigations commence within the twelve month time limit, or
- (v) if there is reason to believe that the individual would not have known of the need to request an investigation into potential aggregation within the twelve month time limit, and the HR &/or pension files support this
- (vi) it would have been unreasonable for the scheme member to understand that they had more than one period of service (this being particularly an issue where individuals hold multiple jobs)

LGPS (Administration) Regulations 2008 Regulation 83 (8)

It is not the policy of Peterborough City Council to consider extending the time limit for a transfer in of previous pension rights to proceed after twelve months of joining unless:

- (iv) the scheme member has requested that investigations commence within the twelve month time limit, or
- (v) if there is reason to believe that the individual would not have known of the need to request an investigation into potential transfer in of previous pension rights within the twelve month time limit, and the HR &/or pension files support this

Local Government Pension Scheme Discretionary Policy – Part C (1997 regulations)

Background:

The following three regulations apply to those employees who left on, or who have an award of deferred benefits in respect of membership up to, a date between 1st April 1998 and 31st March 2008 (inclusive).

LGPS Regulations 1997 Regulation 31 (2)

It is not the policy of Peterborough City Council to release pension early unless:-

- (iii) it is to bring an earlier deferred benefit into payment following redundancy, or efficiency retirement of an existing employee from a current job in Peterborough City Council, or
- (iv) if there are compelling, compassionate* reasons to do so

LGPS Regulations 1997 Regulation 31 (5)

It is not the policy of Peterborough City Council to waive the actuarial reduction on early payment of pension unless:-

- (i) the payment relates to someone who is being made redundant or taking efficiency retirement from active employment with PCC or
- (ii) if there are compelling, compassionate* reasons to do so.

LGPS Regulations 1997 Regulation 31 (7A)

It is not the policy of Peterborough City Council to agree at normal retirement date to the payment of benefits resulting from an earlier opt out.

Applicable to whole document:

*Definition of compelling, compassionate reasons

- (i) The member can clearly demonstrate that they have a dependant, with a lifetime expectancy of more than twelve months, who is in need of the member's constant supervision due to a long term illness and as a result the member is suffering from severe financial hardship OR
- (ii) There is another substantial reason (not relating to caring for a dependant who is ill) where the member can demonstrate that they are facing very severe, ongoing financial hardship and will be doing so on a long term basis.

In exceptional circumstances, and only with the prior approval of the chief executive, the council may vary the terms of this policy on an individual basis.

This policy is subject to statute, regulations and council policy. The policy confers no contractual rights, and may be changed at any time as necessary. Only the version of the policy which is current at the time a relevant event occurs (to the member or deferred member) will be the one applied to that member / deferred member.

Each discretion will be dealt with independently.

TABLE DETAILING PAY THAT IS PENSIONABLE AND PAY THAT IS INCLUDED IN THE TIER DETERMINATION.

PENSIONABLE	INCLUDED IN TIER	DESCRIPTION	CALCULATION BASIS
Y	Y	Basic pay	SCP divided by 37
Y	Y	Non Contractual Overtime/Additional Hrs Plain less than 37 hours	SCP divided by 37
Y	Y	Non Contractual Overtime Plain over 37 hrs	SCP divided by 37 - pre authorised up to SCP 43
Y	Y	Non Contractual Overtime Over 37 hours	Basic pay x 1.5 - minimum element 15 minutes - SCP 26 and below only
Y	Y	Non Contractual Overtime Sundays over 37 hours	Basic pay x 2 - minimum element 15 minutes - SCP 26 and below only
Y	Y	Non Contractual Overtime Bank Holidays	Basic pay x 2 - minimum element 15 minutes - SCP 26 and below only
Y	Y	Contractual Overtime Over 37 hours Monday-Saturday	Basic pay x 1.5 - for Monday to Saturday - SCP 26 and below only
Y	Y	Contractual Overtime Over 37 hours Sunday	Basic Pay x 2 for Sunday working - SCP 26 and below only
Y	Y	Weekend Enhancement Saturdays	Basic Pay x 0.5 minimum element 15 minutes as part of normal working week
Y	Y	Weekend Enhancement Sundays	Basic Pay x 0.5 minimum element 15 minutes as part of normal working week
Y	Y	Shift Allowance (24 hrs)	Basic Pay x 21% - set up as permanent addition - SCP 26 and below only
Y	Y	Shift Allowance (More than 15 – Less than 19 hours)	Basic Pay x 14% - set up as permanent addition - SCP 26 and below only
Y	Y	Shift Allowance (More than 11 – Less than 15 hours)	Basic Pay x 7% - set up as permanent addition - SCP 26 and below only
Y	Y	Split Shift	Basic Pay x 1% - set up as permanent addition - SCP 26 and below only
Y	Y	Night Rate	Basic Pay + 1/3 - SCP 26 and below - night workers can claim weekend payments
N	N	Stand by per session	
N	N	Call Out minimum	Basic pay @ 2 hours - all employees up to SCP 49
N	N	Call Out hourly Monday – Saturday	Basic pay x 1.5 - minimum element 15 minutes - SCP 26 and below only
N	N	Call out hourly Sunday	Basic Pay x 2 - minimum element 15 minutes - SCP 26 and below only

N	N	Call out Plain	Basic pay - plain time paid to employees on SCP 27 - 49 All days - minimum element 15 minutes
N	N	Call out hours Bank holidays	Basic pay x 2 - minimum element 15 minutes - SCP 26 and below only
N	N	Call out hours Bank holidays	Basic Pay - plain time paid to employees on SCP 27 - 49
N	N	Call out Travelling time	Basic pay - minimum 15 minutes - maximum 0.5 hrs. - all employees
Y	Y	Acting Up Allowance	Determined rate - payable after 4 weeks regular review
N	N	Honoraria	Determined rate – one off payment
Y	Y	Market Supplement	Determined rate - regular review
N	N	Payment in consideration of loss of future pensionable payments	12 months full pay/ 6 months half pay /no pay award
N	N	Compensation (Equal Pay)	
Y	Y	All Arrears	
Y	Y	First Aid	

To be assessed on a twelve monthly arrears basis at commencement of financial year.

GUIDANCE NOTE ON MEMBERSHIP OF THE LGPS (not part of LGPS Discretionary policy)

The regulations state that Active members of the LGPS are:-

2.—(1) An employee of a body listed in— (a) [Chapter 1 of Part 2](#) of; (b) [Chapter 1 of Part 5](#) of; or (c) [Schedule 2](#) to the 1997 LGPS Regulations is an active member of the Scheme.

(2) But a person is not an active member unless he is employed under a contract of employment of more than three months' duration.

(3) An active member of the 1997 Scheme is an active member of the Scheme for as long as he continues in Local Government Pension Scheme employment.

MEMBERSHIP OF THE LOCAL GOVERNMENT PENSION SCHEME IS AVAILABLE TO:-

PCC EMPLOYEES

All Peterborough City Council employees providing their contract is for three months or more and they are aged less than 75 years. Membership of the Scheme is automatic, but employees have the right to opt out.

FIXED TERM CONTRACT EMPLOYEES WHO INITIALLY HAD A CONTRACT OF LESS THAN THREE MONTHS WHICH WAS EXTENDED TO MORE THAN 3 MONTHS

If the contract is extended beyond three months, membership of the Local Government Pension Scheme becomes automatic, but the employee would have the right to opt out. The date of commencement in the scheme would be from the date the contract is extended. The employee would have the option of back dating their membership commencement date to the start of the contract.

CORONER

REGISTRATION OFFICER

MEMBERSHIP OF THE LOCAL GOVERNMENT PENSION SCHEME IS NOT AVAILABLE TO:

FIXED TERM CONTRACT EMPLOYEES WITH CONTRACT OF LESS THAN 3 MONTHS

There is no pension scheme available for those employees with a contract of less than three months.

OTHER STATUTORY PENSION SCHEMES

Statute states that if a person's employment entitles him to belong to another statutory pension scheme, that employment does not entitle him to be a member of the LGPS, unless that other scheme was made under section 7 of the Superannuation Act 1972. This rule applies to:-

TEACHERS (TEACHERS PENSION SCHEME - TPS)

It is very important to note that a change to job description may result in the need to change pension scheme and this must be taken into account when teaching jobs are changed from teachers to advisors or some other non teaching role. Such a change will necessitate a change of pension scheme.

Also, whilst on secondment to a non teaching role a teacher may retain membership of the TPS but if the post is made permanent then the teacher would need to be transferred to the LGPS.

YOUTH & COMMUNITY WORKERS (TEACHERS PENSION SCHEME)

Organisers employed as a youth and community worker by a local education authority (for the purposes of their functions under section 15 or 508 of the 1996 Education Act) where employment as an organiser commenced before 1 January 1977.

Generally membership of the LGPS is not governed by the terms and conditions of employment which an employee works to but by virtue of their employer, and the type of work they undertake.

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