Gedling Borough Council

Civic Centre,
Arnot Hill Park,
Arnold,
Nottinghamshire,
NG5 6LU

Agenda

Cabinet

Date:	**Thursday 13 November 2014**
Time:	**12.30 pm**
Place:	**Reception Room**

For any further information please contact:

Lyndsey Parnell

Members' Services Officer

0115 901 3910

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Cabinet

Membership

Chair	Councillor John Clarke
Vice-Chair	Councillor Michael Payne
	Councillor Peter Barnes Councillor Kathryn Fox Councillor Darrell Pulk Councillor Henry Wheeler
Observers:	Councillor Chris Barnfather Councillor Paul Hughes

AGENDA

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MINUTES
CABINET

Thursday 16 October 2014

Councillor John Clarke (Chair)

Councillor Michael Payne
Councillor Peter Barnes
Councillor Henry Wheeler

Absent:	Councillor Kathryn Fox, Councillor Darrell Pulk, Councillor Chris Barnfather and Councillor Paul Hughes
Officers in Attendance:	J Robinson, A Ball, H Barrington, S Bray, P Darlington, D Wakelin, A Bennett and A Dubberley

158 APOLOGIES FOR ABSENCE.

Apologies were received from Councillors Fox and Pulk. Apologies were also received from Councillors Barnfather and Hughes (observers).

159 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 11 SEPTEMBER 2014.

RESOLVED:

That subject to amending Councillor Wheeler's portfolio verbal update to reflect that the Clinical Commissioning Group were involved in the project to provide homelessness advice, the minutes of the above meeting, having been circulated, be approved as a correct record.

160 DECLARATION OF INTERESTS.

None received.

161 ALLOCATION OF CAPITAL FUNDING FOR AFFORDABLE HOUSING

The Service Manager Housing and Localities presented a report which had been circulated prior to the meeting seeking approval to draw down commuted sums for housing redevelopment by way of a grant to Nottingham Community Housing Association to support redevelopment of the Cavendish Public House, Cavendish Road, Carlton.

RESOLVED to:

1) Draw down £114,000 of the commuted sums held for affordable housing development in support of this project; and

2) Allocate it to Nottingham Community Housing Association, subject to the terms of a grant agreement.

162 FORWARD PLAN.

Consideration was given to a report of the Service Manager, Elections and Members' Services, which had been circulated prior to the meeting, detailing the Executive's draft Forward Plan for the next four month period.

RESOLVED:

To note the report.

163 PROGRESS REPORTS FROM PORTFOLIO HOLDERS.

Councillor Henry Wheeler (Health and Housing)

- The vacancy for specialist housing officer had been recently filled and would work with private sector landlords to bring properties to the market.
- This year's severe weather protocol was being worked on.
- Various training sessions and other work on safeguarding was ongoing.
- Plans were underway to introduce a cornwater style club for older people across the whole area.
- The fire service had recently employed an officer to give advice and assist residents with fire safety measures.
- The local clinical commissioning group was currently recruiting for a community co-ordinator to partly work in Daybrook.
- The Youth Council would be hosting the Leader and Deputy at a forthcoming meeting for a Q and A session.

Councillor Peter Barnes (Environment)

- Work on the country park was progressing well with frames for solar panels being installed.
- A meeting would take place shortly to see if interest could be revived in bowls across the Borough as demand of late had been low.
- Winter gritting preparation was on track.

Councillor Michael Payne (Public Protection and Communications)

- Sign designs for the Country Park were being worked on and would be unveiled soon.

- Reported crime across the Borough had seen an increase. Officers were monitoring the situation.
- An extra edition of the Contacts Magazine would be distributed in the New Year to give information on new polling arrangements for the May election. A different, more direct way of districting the magazine was being used in the hope of increasing circulation.
- A planning application for an anaerobic digester in the Gedling ward had been made and objections to this would be made.

Councillor John Clarke (Finance and Performance)

- Recent meetings with all staff and the Chief Executive had been useful with some very constructive feedback given.
- Congratulations were given the Netherfield Parents' Forum and the Council's Locality Co-ordinators on the positive work that they do for their communities.
- There was growing public concern about the Police Commissioner's Plans to close Carlton Police Station. Options for its future use were being explored.
- A Planning application for the proposed new Gedling Access Road was shortly to be submitted and minor issues on land ownership were currently being clarified.

164 MEMBER'S QUESTIONS TO PORTFOLIO HOLDERS.

In response to a question from Councillor Paling, Councillor Wheeler replied that consideration would be given to running safeguarding training for taxi drivers in the Borough.

165 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.

None.

The meeting finished at 1.25 pm

Signed by Chair:
Date:

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Gedling Borough Council

Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 13 November 2014

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2014/2015 Gedling Plan.
- To seek Cabinet approval for changes to targets as set out in Section 2.1.
- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2014/2015 financial year. The budgets include all carried forward amounts from the 2013/2014 financial year.
- To seek Cabinet approval for budget changes outlined in this report.

Key Decision

This is a Key Decision

Background

1.1 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.

1.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have been brought together and are now embedded in the way the Council works.

1.3 In addition, performance reports now focus more directly on the Council's priorities and offer an "early warning" system of instance where targets may not be secured.

Further information on the subject of this report is available from
Mark Kimberley – Corporate Director (financial aspects) on (0115) 9013990 or Stephen Bray – Corporate Director (performance aspects) on 0115 901 3808

Proposal

2. **Quarterly Progress Report**

2.1 Performance Information

2.1.1 The Council continues to manage its performance using the Covalent Performance Management system.

2.1.2 Against the backdrop of a continuing move away from paper based information towards use of more electronic means, and the government's aspiration for local authorities to be more open and transparent, performance information is now accessible publicly on line on the Council's website.

2.1.3 As a result, hard copy performance documents are no longer being routinely produced nor attached to Cabinet agendas – they can, however, be accessed at http://www.gedling.gov.uk/aboutus/howwework/prioritiesplansperformance/performance/. Hard copies will only be made available to members upon request.

2.1.4 For members and the public accessing performance information through this link, the previous criteria for performance assessment continue to apply. Red, amber and green traffic light symbols continue to be used to show progress for both actions and performance indicators. To be assessed as green, performance indicators must be in line with their profiled performance at this stage of the year, while actions must be on target against milestones set out in Covalent to be assessed as "completed" or "assigned; in progress". Where Cabinet has agreed to an amended target, progress is assessed against that amended target rather than the original target.

2.1.5 Pdf reports for both performance indicators and actions continue to be made available on the website, in the previously agreed format. These documents contain explanations of variances and proposed target changes as previously, along with trend arrows for performance indicators (note that an upward arrow indicates improved performance, irrespective of whether improvement is represented by a higher or lower value) and progress bars for actions showing progress made against project milestones. Hard copies of both reports are available in the Members Room for information.

2.1.6 Overall performance at the end of quarter 1 is largely positive. 18 of the 27 performance indicators suitable for quarterly monitoring are on target – of the remainder, 2 are at amber status and 7 are red. 59 of the 60 actions are either on target or completed

2.1.7 A target change is requested for one action.

Portfolio Area	Action	Original Target	Proposed Target	Reason for change
Leisure and Development	Progress the Community Infrastructure Levy	30 Sept 2014	31 Jan 2015	Consultation on revised charging scheme in progress @ end September 2014 following changes to CIL regulations. Draft schedule expected to be presented to Cabinet in November, for onward referral to Council.

2.2 Financial Information

2.2.1 Appendices 1 and 2 set out details of the current financial position on the Council's General Fund Revenue Budget and the Capital Programme 2014/15.

2.2.2 General Fund Revenue Budget

Appendix 1 outlines how the General Fund Revenue budget is divided between the Portfolio areas of the Council and includes a detailed variance analysis identifying the current proposed changes for the year against the approved budget for each Portfolio area. Cabinet is recommended to approve these changes.

The following table summarises the overall financial position of the General Fund Revenue Budget and the expected total spend for the year. This information has been compiled using the best information made available to Financial Services by the relevant spending officers as at 30 September 2014. The overall resource implication for the Council's General Fund is a predicted under-spend of £16,300.

General Fund Revenue Budget 2014/2015 – Change Analysis

	£
The original 2014/15 budget approved by Council on 3 March 2014	**12,979,400**
Revenue Carry Forwards from 2013/14 approved under delegation arrangements by the Chief Finance Officer	89,700
Revenue Carry Forwards from 2013/14 approved by Council on 16 July 2014	20,000
The current total approved budget for 2014/2015 and Cabinet's Maximum Budget is:	**13,089,100**
Up to the end of September 2014 expenditure less income totalled	5,348,101
In the remaining 6 months of year we expect net expenditure less income to be	7,724,699
Total net revenue spend for the year is currently expected to be	**13,072,800**
Projected Revenue Underspend 2014/15	**(16,300)**

2.2.3 Major revenue budget variances to highlight include:

a) Hackney Carriage Licencing

The original budget for 2014/15 assumed a reduction in demand for taxi licencing arising from the introduction of a knowledge test for drivers. Original income forecasts for 2014/15 were based on the full year effect of the knowledge test introduction and the consequent expected reduction in demand. Delays to the introduction of the knowledge test led to an additional £56,000 for licence income being added to the budget at Quarter 1, plus an additional £20,200 income for vehicle inspections. This was partly offset by a £50,000 revenue contribution to capital for improved customer facilities at the depot.

The knowledge test was implemented in July 2014 and evidence is now showing that the expected reduction in demand from drivers licencing with us has not fallen, but indications are that the huge growth experienced in previous years has slowed. As part of Quarter 2 monitoring we have forecast the full year effect of the continuing demand giving additional income of £207,100, and added in additional staffing costs in licencing, customer services and fleet management totalling £69,000, to enable us to cope with the workload it brings. The proposed amendments to the Quarter 2 give a net additional income of £138,100.

The estimated total budget impact compared to the original budget is net additional income of £164,300.

b) Housing Benefits

A mid-year review of housing benefit expenditure has been carried out.

Rent Allowances:

The majority of rent allowance expenditure is subsidised by the government at a rate of 100%, meaning that significant shifts in estimated expenditure have no impact on the net cost to the General Fund. However, for some categories of expenditure, for example eligible overpayments, this rate is reduced and in these cases shifts in the estimated expenditure do impact on the net cost to the General Fund. The latest assessment of the likely net outturn on rent allowance expenditure and subsidy results in additional General Fund expenditure of £90,800.

It is estimated that additional income of £206,000 will be generated from overpayment recoveries during 2014/15, and accordingly this requires a further increase in the provision for bad debts of £192,000.

The net mid-year projected outturn for rent allowances is thus additional expenditure of £76,800.

Council Tax Benefits (CTBs):

Following abolition of the CTB subsidy arrangements in April 2013, where a valid backdated CTB claim is received, the Council is obliged to pay it and bear the full cost. Conversely, where an overpayment of CTB is identified, the Council can recover it and is not required to pay back any subsidy previously claimed. In addition, "technical overpayments" arise where a change is made to a relief, exemption or discount for a period prior to 1 April 2013. Whilst there is no impact on the claimant, an adjustment to benefit previously paid by the General Fund to the Collection Fund is created, resulting in additional income to the General Fund. As would be expected, it is anticipated that these adjustments will be much lower than those reported for 2013/14, and should reduce further with the passage of time. The net mid-year projected outturn for CTBs in the light of these three scenarios is for additional income of £45,000.

2.2.4 **Capital Programme**

Appendix 2 details the current projected position on the Capital Programme and its' financing for 2014/15, analysed by Portfolio, and this is summarised in the table below. There are no budget changes proposed for quarter 2.

Capital Budget 2014/2015 - Change Analysis

	£
Original 2014/15 budget approved by Council on 3 March 2014	**2,902,100**
Capital Carry Forwards from 2013/14 approved under delegation arrangements by the Chief Finance Officer	747,900
Capital Carry Forwards from 2013/14 approved by Council on 16 July 2014	301,700
Additional Budget for King George V Skatepark, Portfolio Holder virement decision, funded by WREN Grant.	48,500
Quarter 1 Amendments	310,100
The current total approved budget for 2014/15	**4,310,300**
Actual Expenditure to Quarter 2 2014/15	1,121,309
Estimated Expenditure Quarter 3-4 2014/15	3,188,991
Projected Outturn 2014/15	**4,310,300**
Projected Capital Programme Variance 2014/15	**0**

There is currently sufficient funding available in 2014/2015 to finance the Capital Programme as outlined above.

Alternative Options

3 Option – Not to amend the original Council approved budgets during the year to reflect the latest projected outturn position.

Advantages:

- The final outturn position of the Council can be easily compared to its original intentions when the budget was set and areas of budget risk identified.

Disadvantages:

- Budgets not aligned to current budget pressures resulting in increased likelihood of budget overspend and emerging Council priorities not being addressed.
- Restrict the effectiveness of medium term planning process and preparation of the forward budget if pressures and areas of efficiency are not readily identifiable during budget preparation.
- Budget not reflective of latest performance information.

Reason for rejection – not likely to result in the best outcomes in financial management or support delivery of priorities.

Financial Implications

4 The nature of the report is such that it has significant resource implications across the Council. The report itself demonstrates how resources are being managed.

Appendices

5 Appendix 1 – General Fund Revenue Budget 2014/15 – Budgetary Control Report

Appendix 2 - Capital Programme 2014/15 – Budgetary Control Report

Background Papers

6 Detailed Quarterly Budgetary Control Exception Reports

Recommendation

Members are **recommended**:

a) To approve the changes to the Indicator Action target as detailed in paragraph 2.1.7 of the report, as an amendment to the agreed Gedling Plan;

b) To approve the General Fund Revenue Budget virements included within Appendix 1;

c) To include details of budget and performance monitoring in a quarterly performance digest, to be published on the Council's website and Intranet in line with the recommendations of Performance Review Scrutiny Committee.

Reasons for Recommendations

7 To align the budgets to the current pressures and priorities and ensure the delivery of Council objectives is supported.

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Grand Summary

Revenue Quarterly Budgetary Control Report   Period 201406

	Current Approved Budget	Profiled Budget	Actual to date	Variance	%	Projected Outturn	Projected Annual Variance
	£	£	£	£		£	£
Community Development	1,621,800	592,233	534,400	-57,833	-10	**1,636,700**	**14,900**
Health & Housing	1,054,900	160,700	162,276	1,576	1	**1,086,700**	**31,800**
Public Protection & Communication	1,632,500	1,326,950	1,157,166	-169,783	-13	**1,476,600**	**-155,900**
Environment	4,602,100	1,553,425	1,436,838	-116,587	-8	**4,714,200**	**112,100**
Leisure & Development	1,930,600	674,983	546,230	-128,753	-19	**1,917,000**	**-13,600**
Finance & Performance	2,239,600	1,867,991	1,511,191	-356,800	-19	**2,241,600**	**2,000**
Total General Fund	**13,081,500**	**6,176,282**	**5,348,101**	**-828,181**	**-13**	**13,072,800**	**-8,700**
Cabinets General Fund Maximum Budget	**13,089,100**					**13,072,800**	**-16,300**

COMMUNITY DEVELOPMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Community Grants					
Supplies & Services	162.1	182.6		20.5	Delay in the implementation of the planned grant reductions to Gedling CVS and RCAN.
Community Centres					
Employee Expenses	150.6	145.0	5.6		Savings due to temporary change in Management Staff hours.
All other budget heads Including items previously reported	1,309.1	1,309.1			
PORTFOLIO TOTAL	**1,621.8**	**1,636.7**	**5.6**	**20.5**	**Net Portfolio Total £14,900 Adverse**

HEALTH & HOUSING PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance Favourable	Net Budget Variance Adverse	Reason for Variance (New Items Only)
	£'000	£'000	£'000	£'000	
Rent Allowances					
Supplies and Services	185.0	377.0		192.0	Significant additional overpayment recoveries are anticipated for the year and accordingly the provision for bad debt has risen.
Income (Overpayment recoveries)	(766.0)	(972.0)	206.0		
Transfer Payments	27,677.0	27,180.3	496.7		The majority of benefit expenditure is subsidised by the government at the rate of 100%, however in some cases this rate is reduced. The latest assessment of the likely net position results in net additional expenditure of £90,800.
Income	(27,113.0)	(26,525.5)		587.5	

HEALTH & HOUSING PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Council Tax Benefits					
Transfer Payments	20.0	30.0		10.0	Increase in overpayment recoveries partly offset by backdated claims that cannot be recovered via subsidy.
Income	(20.0)	(75.0)	55.0		
All other budget heads Including items previously reported	1,071.9	1,071.9			
PORTFOLIO TOTAL	**1,054.9**	**1,086.7**	**757.7**	**789.5**	**Net Portfolio Total £31,800 Adverse**

PUBLIC PROTECTION & COMMUNICATION PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Licencing & Hackney Carriages					
Employee Expenses	135.3	169.5		34.2	Additional income from the continued demand for Taxi licencing, partly offset by the introduction of 2 new licencing posts, additional inspection costs, an additional mechanic (see Environment) and an additional customer advisor post (see below) required to deal with the increased demand.
Revenue Income	(386.3)	(593.4)	207.1		
Central Print Room					
Supplies & Services	53.1	51.1	2.0		Underspend due to a reduction in the number and cost of printers.
Community Protection & Dog Control					
Supplies & Services	94.9	105.9		11.0	Installation of CCTV at Flatts Lane.
Third Party Payments	75.6	73.6	2.0		Saving due to renegotiated CCTV monitoring contract.
Information Technology					
Employee Expenses	247.6	246.6	1.0		Training costs transferred from IT Training Budget to Corporate Health and Safety.
Supplies & Services	811.4	809.0	5.4	3.0	Reduction in cost of external lines and advertising, offset by purchase of Co.star Database licence for the Estates Department.

PUBLIC PROTECTION & COMMUNICATION PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Customer Services					
Employee Expenses	534.3	554.4		20.1	Additional Customer Services Advisor post due to staffing changes to accommodate the continued demand for taxi licencing and the back scanning of licences. (See above)
Supplies & Services	13.4	14.4		1.0	Increased cost of cash collection - new contractor.
Revenue Income	(21.3)	(29.0)	7.7		Additional income received from NCC for provision of Customer Service Point.
All other budget heads Including items previously reported	74.5	74.5			
PORTFOLIO TOTAL	**1,632.5**	**1,476.6**	**225.2**	**69.3**	**Net Portfolio Total £155,900 Favourable**

ENVIRONMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Christmas Lighting					
Supplies & Services	40.5	45.5		5.0	Christmas lighting and tree for Gedling village.
Car Parks					
Supplies & Services	3.0	7.6		4.6	Bike racks for Carlton Hill Car Parks.
Sustainability					
Employee Expenses	40.6	34.6	6.0		Underspend due to vacant Sustainability Officer post.
Waste Management					
Employee Expenses	1,343.6	1,358.1		0.7	Due to the closure of Dorket Head, additional non-contractual overtime incurred due to increased travelling time to Balderton.
Supplies & Services	318.6	333.9		15.3	Brown bin purchases for the Garden Waste Scheme, fully offset by corresponding income. (See below)

ENVIRONMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Transport Expenses	843.3	851.3		3.7	
					Increased vehicle costs due to closure of Dorket Head, and consequent additional 47 mile round trip to Balderton.
Revenue Income	(1,084.9)	(1,076.3)		5.6	Reduced Glass Recycling income due to a decrease in tonnages collected.
				0.9	Reduced Paper Recycling income due to a decrease in tonnages collected and tonnage price.
			1.0		Additional Textile Recycling income due to an increase in tonnage price.
				7.0	Reduced NCC Recycling Credit income mainly due to the aforementioned decrease in glass tonnages collected.
			16.3		Additional Garden Waste income due to an increase in customers in excess of forecasted growth.
				30.5	Impact of the proposed Bulky Waste Amnesty (to be the subject of PH report approving the scheme detail). Includes additional staffing, vehicle costs and reduced income.

ENVIRONMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Street Care					
Employee Expenses	431.6	428.5	3.1		Underspend due to vacant Business Development post.
Supplies & Services	63.8	68.8		5.0	Equipment to enable Spring Clean initiative
Fleet Management					
Employee Expenses	246.7	261.4		9.9	Introduction of a Vehicle Testing Mechanic to accommodate the continued demand for Taxi Licencing Inspections. (See Public Protection)
				4.8	Increase in non-contractual overtime due to the continued taxi testing demand.
Transport Related Expenses	527.5	534.9		7.4	As a consequence of the reduction in the frequency of grass cutting, additional expenditure has been incurred on parts and repairs which was unforeseen.

ENVIRONMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Public Offices					
Premises Related Expenses	397.0	399.0		2.0	Tenants vacating Arnot Hill House giving rise to an increase in NNDR and utility costs.
Revenue Income	(210.7)	(205.7)		5.0	Reduction in Rental income as a result of tenants vacating as above.
Public Conveniences					
Premises Related Expenses	16.7	29.7		13.0	Demolition costs relating to Haywood Road and Morris Street public conveniences.
Parks					
Employee Expenses	709.2	701.9	7.3		Underspend due to vacant Business Development post.
Supplies & Services	157.7	195.7		10.0	Events and publicity costs for Gedling Country Park opening.
				15.0	Additional cost of Hand Vibration equipment (offset by contribution from Risk Management Reserve).
				5.0	Cost of closure of Arnot Hill Park aviary.
				8.0	Additional cost of Waste Disposal due to increased volumes and closure of Dorket Head.

ENVIRONMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Third Party Payments	28.5	27.0	1.5		Reduced requirement for external conractors now Tree Team established.
Revenue Income	(277.1)	(288.2)	15.0		Contribution from Risk Management Reserve for Hand Vibration equipment.
				3.9	Non collection of income due to cessation of Parks patrolling.
All other budget heads (including items previously reported)	1,006.5	1,006.5			
PORTFOLIO TOTAL	**4,602.1**	**4,714.2**	**50.2**	**162.3**	**Net Portfolio Total £112,100 Adverse**

LEISURE & DEVELOPMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Development Management					
Employee Expenses	279.2	295.2		16.0	Additional staffing to support improving performance and increasing workload.
Supplies & Services	39.8	58.8		10.0	Consultancy for system and process review of Planning services
				9.0	Consultancy for system improvements to enable pre-application charging.
Revenue Income	(372.5)	(365.0)		7.5	Reduction in income due to the third year delay in the introduction of pre-application charging.
Planning Policy					
Employee Expenses	248.5	213.7	34.8		Saving due to vacant CIL Officer post which is not required as the introduction of CIL is later than originally expected.
Economic Development					
Employee Expenses	92.3	70.7	21.6		Saving due to vacant Economic Development Officer post.

LEISURE & DEVELOPMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Calverton Leisure Centre					
Employee Expenses	273.0	278.9		5.9	Compensation/Redundancy payment made following Leisure Management Restructure to be met from Transformation Fund. (See Finance & Perf portfolio)
Premises Related Expenses	111.1	104.6	6.5		Credit received in relation to overcharge from 2013/14 on water rates.
Supplies & Services	90.7	107.4		16.7	Joint Use Maintenance projects have taken place, to be funded from earmaked reserve.
Revenue Income	(324.6)	(341.3)	16.7		
Carlton Forum Leisure Centre					
Employee Expenses	690.8	683.9	6.9		Delay in recruiting Swim Development Officer
Supplies & Services	214.8	224.5		9.7	Joint Use Maintenance projects have taken place, to be funded from earmaked reserve.
Revenue Income	(1,135.9)	(1,123.8)	9.7		
				21.8	Income down in a number of areas due to fewer users and loss of bookings This is mainly as a result of the reduction in subsidy following the loss of the Youth Co-ordination budget for swimming activities and football in the community. Main Hall and squash courts have both lost regular bookings.

LEISURE & DEVELOPMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Redhill Leisure Centre					
Employee Expenses	326.4	324.3	2.1		Saving on Instructors due to reduced classes during holidays.
Supplies & Services	115.1	121.4		6.3	Joint Use Maintenance projects have taken place, to be funded from earmaked reserve.
Revenue Income	(523.6)	(522.2)	6.3		
				7.7	Reduction in the number of users/classes due to the removal of subsidised prices following the removal of the Youth Co-ordination budget, partly offset by savings on instructors.
Arnold Leisure Centre					
Employee Expenses	386.0	368.7	17.3		Savings due to delay in recruitment and temporary cover being used.
Premises Related Expenses	209.6	208.7	0.9		Refund on drainage charges relating to closure of pool in 13/14.
Revenue Income	(339.8)	(332.8)		15.0	Public swim income reduced as expected additional users following refurbishment not realised, fewer swimmers during holidays following the loss of the youth co-ordination budget and plant problem affecting the temperature and quality of water.
			8.0		Telecommunications Mast income.

LEISURE & DEVELOPMENT PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Richard Herrod Centre					
Employee Expenses	283.3	275.3	8.0		Savings due to delay in recruitment and temporary cover being used.
Revenue Income	(342.6)	(343.0)	0.4		Millennium Bar bookings have increased following the introduction of self catering and as a consequence the bar drinks income has increased, partly offset by main bar income being down due to fewer casual users.
All other budget heads (including items previously reported)	1,609.0	1,609.0			
PORTFOLIO TOTAL	**1,930.6**	**1,917.0**	**139.2**	**125.6**	**Net Portfolio Total £13,600 Favourable**

FINANCE & PERFORMANCE PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Organisational Development					
Income	(3.0)	(9.5)	6.5		Increased number of external attendees to GBC held courses.
Corporate Management					
Employee Expenses	598.9	606.4		7.5	Performance increments for Senior Management.
Supplies & Services	160.5	168.9		8.4	Increased bank charges arising from increased credit card costs and an additional APSE subscription.
Audit, Risk Management					
Employee Expenses	166.7	167.7		1.0	Training costs transferred from IT Training Budget. (See IT)
Financial Services					
Employee Expenses	535.1	515.1	20.0		Salary savings from vacant posts.
Supplies & Services	21.3	41.3		20.0	Consultancy costs for Payline Risk Review.
Postages					
Supplies & Services	53.9	68.0		14.1	Increased prices for postages not budgeted for.
Procurement					
Third Party Payments	20.7	24.1		3.4	Subscription costs for Procurement portal.

FINANCE & PERFORMANCE PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2014

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
Revenues - Local Taxation					
Supplies & Services	301.4	291.4	10.0		Court Fees expected to be lower due to fewer court cases.
Central Provisions					
Employee Expenses	10.0	0.0	10.0		Superannuation auto-enrolments have been accomodated within the relevant service areas.
Supplies & Services	520.8	514.9	5.9		Compensation/Redundancy payment made following Leisure Management Restructure at Calverton LC to be met from Transformation Fund.
All other budget heads (including items previously reported)	(146.7)	(146.7)			
PORTFOLIO TOTAL	**2,239.6**	**2,241.6**	**52.4**	**54.4**	**Net Portfolio Total £2,000 Adverse**

FINANCIAL MANAGEMENT REPORT - CAPITAL BUDGET MONITORING

	Original Capital Programme	Carry Forwards	Quarter 1 Cabinet	Virements/ Supplements	Revised Cap Prog inc c/f & supp	Quarter 2 Proposals to Cabinet	Revised Cap Prog inc Qtr 1 Proposals	Actual To Date	Estimate for Qtr 3-4	Latest Projected Outturn
EXPENDITURE	**£000's**	**£000's**	**£000's**		**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Community Development	0.0	18.4	0.0	0.0	18.4		18.4	0.1	18.3	18.4
Health Housing	90.0	0.0	0.0	0.0	90.0		90.0	0.0	90.0	90.0
Public Protection & Communication	596.0	186.3	50.0	0.0	832.3		832.3	218.1	614.2	832.3
Environment	1125.5	698.2	5.0	48.5	1877.2		1877.2	533.0	1344.2	1877.2
Leisure & Development	940.6	140.4	255.1	0.0	1336.1		1336.1	355.4	980.7	1336.1
Finance & Performance	150.0	6.3	0.0	0.0	156.3		156.3	14.8	141.5	156.3
TOTAL EXPENDITURE	**2902.1**	**1049.6**	**310.1**	**48.5**	**4310.3**	**0.0**	**4310.3**	**1121.3**	**3189.0**	**4310.3**
RESOURCES										
Specific Capital Grant - Disabled Facilities Grant	371.0				371.0		371.0	371.0	0.0	371.0
Borrowing	0.0	590.7			590.7		590.7		590.7	590.7
Growth Point Grant					0.0		0.0		0.0	0.0
Capital Receipts	1691.1	375.4			2066.5		2066.5	17.3	2049.2	2066.5
Revenue Contribution		4.0	50.0		54.0		54.0	4.0	50.0	54.0
Performance Reward Grant	100.0				100.0		100.0	100.0	0.0	100.0
NIEP funding Waste Mgmt System		8.1			8.1		8.1	8.1	0.0	8.1
S106 Funding	450.0	6.4	255.1		711.5		711.5	0.0	711.5	711.5
S106 Commuted Sum	90.0				90.0		90.0		90.0	90.0
NCC Grant KGV				48.5	48.5		48.5		48.5	48.5
Lottery Funding	200.0				200.0		200.0		200.0	200.0
DWP Grant		20.0			20.0		20.0	20.0	0.0	20.0
Contribution from CCTV Reserve			50.0		50.0		50.0		50.0	50.0
Groundworks		45.0	-45.0		0.0		0.0		0.0	0.0
TOTAL RESOURCES	**2902.1**	**1049.6**	**310.1**	**48.5**	**4310.3**	**0.0**	**4310.3**	**520.4**	**3789.9**	**4310.3**
UNDER/(OVER RESOURCED)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**			**0.0**

NOTES :-

1. **All budgets are grossed up with any contribution from outside bodies shown as income in the Resources section.**

Report to Cabinet

Subject: Prudential Code Indicator Monitoring 2014/15 and Quarterly Treasury Activity Report for Quarter ended 30 September 2014

Date: 13 November 2014

Author: Corporate Director (Chief Financial Officer)

Wards Affected

All

Purpose

To inform members of the performance monitoring of the 2014/15 Prudential Code Indicators, and to advise members of the quarterly treasury activity as required by the Treasury Management Strategy.

Key Decision

This is not a key decision.

Background

1.1 The Council is required by regulations issued under the Local Government Act 2003 to report on its Prudential Code indicators and treasury activity. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1.2 For 2014/15 the minimum reporting requirements are that the Full Council should receive the following reports:

- An annual treasury strategy in advance of the year (the TMSS).
- A mid-year treasury update report (this report).
- An annual review following the end of the year describing the activity compared to the strategy.

In accordance with best practice, quarterly monitoring reports for treasury activity are provided to members, and that this exceeds the minimum requirements.

1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report provides details of the position at 30 September and highlights compliance with the Council's policies.

Proposal

2.1 Economic update

After annual UK growth of 2.7% in 2013 it is anticipated that strong growth will continue through 2014 and into 2015. Forward surveys for the services and construction sectors are encouraging, whilst business investment is also recovering. The manufacturing sector has also been encouraging, however the latest figures indicate a weakening in the future trend rate of growth. For the recovery to become more balanced, and sustainable in the long term, it will be necessary to move away from dependence on consumer expenditure and the housing market towards exporting, particularly of manufactured goods.

Strong growth has resulted in unemployment falling faster through the initial threshold of 7% set by the Monetary Policy Committee (MPC) as the level at which it would consider increases in bank rate. The MPC subsequently broadened its forward guidance by adopting five qualitative principles, and looking at a wider range of around eighteen indicators in order to form a view on how much capacity there is in the economy, and how quickly that capacity is being used up. The MPC is particularly concerned that the current squeeze on consumers' disposable income needs to be reversed by wage inflation rising back above the level of inflation, to ensure that the recovery will be sustainable. However, such an increase in pay rates needs to be supported by an improvement in labour productivity, which has been poor since 2008. Most economic forecasters expect growth to peak in 2014 and then to ease off a little, whilst remaining strong in 2015 and 2016. Unemployment is therefore expected to continue its downward trend.

There has been a sharp fall in the rate of inflation (CPI) which reached 1.2% in September, the lowest rate since 2009. Forward indications are for further falls in 2014, possibly reaching 1%.

The return to strong growth has helped lower forecasts for the increase in government debt by £73bn over the next 5 years, as announced in the Autumn Statement, and by a further £24bn as announced in the March 2014 Budget - which also forecast a significant budget surplus of £5bn in 2018/19. However, monthly public sector deficit figures have been disappointing so far this year.

In September, the US Federal Reserve (the Fed) continued its monthly reduction in asset purchase, which has now fallen from $85bn to $15bn per month and is expected to stop shortly, providing strong growth continues.

The Eurozone is facing an increasing threat from deflation. In September, the inflation rate fell to 0.3%, however this is an average and includes some countries with negative rates of inflation. Accordingly the European Central Bank (ECB) took further limited action in September to loosen monetary policy in order to promote growth.

Japan is causing considerable concern as its increase in sales tax in April has supressed consumer expenditure and growth. There are also concerns regarding China's growth, and the creditworthiness of much of its bank lending in the post 2008 credit expansion period.

2.2 Interest rate forecasts

The Council's treasury advisor, Capita Asset Services (CAS) undertook a review of its interest rate forecasts in mid-August after the Bank of England's inflation report. By the beginning of September a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, had caused a further flight into safe havens like gilts, and depressed PWLB rates further, therefore a further review was undertaken. There remains much volatility with regard to rates but overall, markets are expecting that the MPC will be cautious in raising Bank Rate.

The Governor of the Bank of England has repeatedly stated that increases in Bank Rate will be slow and gradual due to concerns about the impact of increases on indebted consumers. The latest forecast from CAS includes a further move in the timing of the first Bank Rate increase from Q1 to Q2 of 2015 and it notes that the overall balance of risks to economic recovery in the UK is weighted to the downside. Economic forecasting remains difficult and the expected timing of the first rate rise could yet be moved out still further.

CAS has provided the following forecast:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
5yr PWLB rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PWLB rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%

2.3 Investment strategy

The Treasury Management Strategy Statement (TMSS) for 2014/15 was approved by Council on 3 March 2014.

The Council's investment priorities remain the security of capital and good liquidity. Whilst the Council will always seek to obtain the optimum return (yield) on its investments, this will at all times be commensurate with proper levels of security and liquidity. In the current economic climate and with heightened credit concerns, it is considered appropriate either to keep investments short–term to cover cash flow needs, or to extend the period up to one year with selected government-backed counterparties.

During the April to September 2014 period, significant use has been made of a call account facility paying 0.6%, however the rate available from this counterparty fell to 0.25% in August and it is likely that this facility will now be used only infrequently. Recently, as a result, increased use has been made of a Money Market Fund achieving around 0.40%. This fund is an AAA rated investment vehicle which allows the pooling of many billions of pounds worth of funds into a highly diversified fund. Whilst the rate of return remains low, it is still well in excess of overnight treasury deposit rates.

The Treasury Activity Report for the quarter ended 30 September 2014 is attached at Appendix 1, in accordance with the Treasury Management Strategy. For reference, definitions of LIBOR and LIBID are given at Appendix 2.

Members will note that an equated rate of 0.79% has been achieved for the period to 30 September 2014 which, whilst very low, outperforms both the 7 day and 3 month LIBID rates of 0.36% and 0.44% by 0.43% and 0.35% respectively. This has been achieved as a result of the 2014/15 impact of prudent investments made in 2013/14. Rates in the market remain poor and as these loans mature it is challenging to replace them, since security and liquidity will always remain the overriding factors in the Council's treasury management. Interest rates are not expected to start rising until the final quarter of the financial year, and then only gradually, and not significantly. At Q2, the outturn position for investment interest is still expected to be broadly in line with the current approved estimate of £103,700.

Credit ratings advice continues to be taken from CAS, however the ultimate decision on what is prudent and manageable for the Council is taken by the Chief Financial Officer under the approved scheme of delegation.

2.4 New borrowing

No new long-term borrowing was undertaken during the quarter ended 30 September 2014.

The council's Capital Financing Requirement (CFR) represents its "underlying" need to borrow to finance capital investment. Due to favourable interest rates, borrowing in advance of need is sometimes desirable, with the result that the CFR can differ to the actual borrowing planned in the year.

In view of borrowing previously undertaken in advance of need, it is not currently anticipated that any new borrowing will be undertaken during 2014/15.

Interest rates remain low, and the PWLB certainty rate, available to all authorities providing relevant information to CLG, allows the Council to take advantage of a discount of 20 basis points. Advice will be taken from CAS with regard to the amount and timing of any additional borrowing, and should conditions become advantageous, some further borrowing in advance of need will also be considered by the Chief Financial Officer.

2.5 Debt rescheduling

Debt rescheduling opportunities are limited in the current economic climate, and due to the structure of interest rates. Advice in this regard will continue to be taken from CAS.

No debt rescheduling has been undertaken during the period from 1 April 2014 to 30 September 2014.

2.6 Compliance with Prudential and treasury indicators

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limit. The Council's approved Prudential and Treasury Indicators (affordability limits) are included in the Treasury Management Strategy Statement (TMSS) approved by Council on 3 March 2014.

During the financial year to date the Council has at all times operated within the treasury limits and Prudential Indicators set out in the council's TMSS, and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators as at 30 September 2014 are shown at Appendix 3.

These indicators are based on estimates of expected outcomes, and are key indicators of "affordability". They are monitored on a quarterly basis, and Appendix 3 compares the approved indicators with the projected outturn for 2014/15, and shows variances on some of the indicators, as described below:

a) Prudential Indicators:

i) Capital Expenditure

The latest projected outturn shows that capital expenditure is expected to be £4,310,300. This differs to the original estimate of £2,902,100 due to the inclusion of approved carry-forward requests from 2013/14 and approved variations to the capital programme during 2014/15.

ii) Capital Financing Requirement (CFR)

The projected closing CFR for 2014/15 is £12,441,153. This is lower than the approved indicator of £12,546,300 due to the above amendments to the capital programme and to additional capital receipts generated.

iii) Ratio of Financing Costs to Net Revenue Stream

The projected outturn of 6.43% shows a minor reduction from the approved indicator of 6.44%. This is due to a reduction in MRP as a result of slippage on the capital programme in 2013/14, largely offset by a revenue contribution to capital expenditure in 2014/15.

iv) Maximum gross debt

The Council must ensure that its gross debt does not, except in the short term, exceed the opening capital financing requirement, plus estimates of any additional CFR for 2014/15 and the following two financial years. This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. Gross debt at 30 September was £10.812m which was well within the approved indicator.

Treasury Management Indicators:

These indicators are based on limits, beyond which activities should not pass without management action. They include two key indicators of affordability and four key indicators of prudence.

Affordability

i) Operational boundary for external debt.
ii) Authorised limit for external debt.

Prudence

iii) Upper limit for fixed interest exposure – represented by the maximum permitted net outstanding principal sum borrowed at fixed rates. Please note that a negative indicator represents a position of net investment.

iv) Upper limit for variable interest rate exposure – represented by the maximum permitted net outstanding principal sum borrowed at variable rates. Please note that a negative indicator represents a position of net investment.

v) Maximum new principal sums to be invested during 2014/15 for periods in excess of 364 days - such investments are classified as a “non-specified”. This indicator is subject to the overall limit for non-specified investments set in the TMSS.

vi) Upper limits for the maturity structure of borrowing - set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing.

Appendix 3 shows the actual position as at 30 September 2014, and demonstrates that all activities are contained within the currently approved limits.

2.6 Other

The main rating agencies (Fitch, Moodys and Standard & Poors) have through much of the financial crisis, provided some institutions with a ratings “uplift” due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated that they may remove these uplifts, making their “support”, “financial strength” and “viability” ratings redundant. This process may commence during the current financial year although the timing of the changes is still subject to discussion. The Council currently sets the following criteria for the selection of its investment counterparties:

- Short term F1
- Long Term A
- Viability BBB
- Support 1

Once any changes have been implemented by the rating agencies, any necessary changes to the Council’s agreed selection criteria will be reported to members.

As a result of the potential rating agency changes the credit element of the CAS credit methodology will now focus solely on the short and long term ratings of an institution.

Alternative Options

There are no alternative options, this report being a requirement of the Council’s Treasury Management Strategy Statement (TMSS).

Financial Implications

No specific financial implications are attributable to this report.

Appendices

1. Treasury Activity Report 2014/15 for quarter ended 30 September 2014.
2. Definitions of LIBOR and LIBID
3. Prudential and Treasury Indicators as at 30 September 2014.

Background Papers

None identified.

Recommendation

That:

Members note the report, together with the Treasury Activity Report for Quarter 2 at Appendix 1, and the Prudential and Treasury Indicator Monitoring for Quarter 2 at Appendix 3.

Reasons for Recommendations

To comply with the requirements of the Council's Treasury Management Strategy Statement.

For more information, please contact:

Alison Ball, Financial Services Manager, on 0115 901 3980

TREASURY ACTIVITY REPORT 2014/15

For Quarter ended 30 September 2014

	Position @ 1 July 2014 £	Loans Made During Q2 £	Loans Repaid During Q2 £	Position @ 30 Sept 2014 £
Long Term Borrowing				
PWLB	10,811,577	0	0	10,811,577
Total Long Term Borrowing	10,811,577	0	0	10,811,577
Temporary Borrowing				
Local Authorities	0	0	0	0
Public Corporations	0	0	0	0
Central Government	0	0	0	0
Banks & Other Institutions	0	0	0	0
Total Temporary Borrowing	0	0	0	0
TOTAL BORROWING	**10,811,577**	**0**	**0**	**10,811,577**
Temporary Investment				
Bank of Scotland	(6,500,000)	(3,000,000)	3,000,000	(6,500,000)
Barclays	0	0	0	0
HSBC Treasury	0	(6,190,000)	6,190,000	0
Ignis Money Market Fund	(3,610,000)	(15,645,000)	15,885,000	(3,370,000)
Royal Bank of Scotland	(5,000,000)	(3,320,000)	8,320,000	0
Santander (Abbey)	0	0	0	0
Total Banks	(15,110,000)	(28,155,000)	33,395,000	(9,870,000)
Building Societies	0	(5,000,000)	1,000,000	(4,000,000)
Debt Management Office	0	0	0	0
Local Authorities & Other	0	0	0	0
TOTAL INVESTMENT (See below)	**(15,110,000)**	**(33,155,000)**	**34,395,000**	**(13,870,000)**
NET BORROWING / (INVESTMENT)	**(4,298,423)**	**(33,155,000)**	**34,395,000**	**(3,058,423)**

Temporary Borrowing & Investment Statistics at 30 September 2014

Investment:

Fixed Rate Investment	(6,500,000)	(14,190,000)	10,190,000	(10,500,000)
Variable Rate Investment	(8,610,000)	(18,965,000)	24,205,000	(3,370,000)
TOTAL INVESTMENT	**(15,110,000)**	**(33,155,000)**	**34,395,000**	**(13,870,000)**

Proportion of Fixed Rate Investment	75.70%
Proportion of Variable Rate Investment	24.30%
Temporary Investment Interest Receivable	£ 47,045
Equated Temporary Investment	£ 5,957,952
Weighted Average Interest Rate Received (Interest Receivable / Equated Investment)	0.79%
7 Day LIBID (Benchmark)	0.36%
3 Month LIBID	0.44%

Borrowing:

Temporary Borrowing Interest Payable	£ -
Equated Temporary Borrowing	£ -
Weighted Average Interest Rate Paid (Interest Payable / Equated Borrowing)	n/a
7 Day LIBOR (Benchmark)	0.49%

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LIBOR - the London Interbank Offered Rate

LIBOR is the interest rate at which the London banks are willing to offer funds in the inter-bank market. It is the average of rates which five major London banks are willing to lend £10 million for a period of three or six months, and is the benchmark rate for setting interest rates for adjustable-rate loans and financial instruments.

ie. the London banks are LENDING to each other, which affects the rate at which the banks will lend to other parties eg. local authorities, ie. Gedling are BORROWING money

LIBID - the Interbank BID (LIBID) rate

LIBID is the interest rate at which London banks are willing to borrow from one another in the inter-bank market. It is the average of rates which five major London banks willing to bid for a £10 million deposit for a period of three or six months.

ie. the London banks are BORROWING from each other, which affects the rates at which they will borrow from other parties eg. local authorities, ie. Gedling are LENDING money.

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Outturn Prudential and Treasury Indicators for 2014/15

		2014/15 Orig Estimate (Council 3/3/14)		2014/15 Position at 30 Sept 2014
1. Prudential Indicators				
Affordability:				
a) Capital Expenditure	£	2,902,100	£	4,310,300
b) Capital Financing Requirement	£	12,546,300	£	12,441,153
c) Ratio of Financing Costs to Net Revenue Stream		6.44%		6.43%
d) Incremental Impact of new 2014/15 Capital Investment Decisions:		£0.07		Not Applicable
e) Maximum Gross Debt	£	13,135,400	£	10,811,577
2. Treasury Management Indicators				
a) Operational Boundary for External Debt:				
Borrowing	£	14,100,000	£	10,811,577
Other Long Term Liabilities	£	1,500,000	£	-
Total Operational Boundary	**£**	**15,600,000**	**£**	**10,811,577**
b) Authorised Limit for External Debt:				
Borrowing	£	15,100,000	£	10,811,577
Other Long Term Liabilities	£	1,500,000	£	-
Total Authorised Limit	**£**	**16,600,000**	**£**	**10,811,577**
c) Upper limit for fixed interest rate exposure: (Maximum outstanding net BORROWING)	£	13,100,000	£	311,577
Additional Local Indicator - Investment Only		100.00%		75.70%
Additional Local Indicator - Borrowing Only		100.00%		100.00%
d) Upper limit for variable interest rate exposure: (Maximum outstanding net BORROWING)	£	2,000,000	-£	3,370,000
Additional Local Indicator - Investment Only		100.00%		24.30%
Additional Local Indicator - Borrowing Only		50.00%		0.00%
e) Upper & Lower limits for the maturity structure of outstanding Borrowing during 2014/15:				
Under 1 Year		U 20%, L 0%		18.50%
1 Year to 2 Years		U 40%, L 0%		18.50%
2 Years to 5 Years		U 50%, L 0%		0.00%
5 Years to 10 Years		U 50%, L 0%		0.00%
Over 10 Years		U 100%, L 0%		63.00%
f) Investment Treasury Indicator and limit: Max. NEW principal sums invested in-year for periods OVER 364 days (ie. non-specified), subject to maximum non specified per counterparty of £3m AND to the prevailing overall counterparty limit AND to the the TOTAL non specified limit of £5m.	£	3,000,000	£	-

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Gedling Borough Council

Report to Cabinet

Subject: Community Infrastructure Levy Revised Draft Charging Schedule – consultation and submission for examination

Date: 13th November 2014

Author: Planning Policy Manager

Wards Affected

Borough-wide.

Purpose

To seek approval from Cabinet for:

(a) the proposed responses to the main issues raised in the comments received on the Revised Draft Charging Schedule (June 2014) and associated documentation; and

(b) the submission documents for examination which comprise the Revised Draft Charging Schedule (June 2014), the Proposed Statement of Modifications (dated for submission January 2015), and supporting documents.

Key Decision

This is a Key Decision.

Background

1. The Community Infrastructure Levy is a charge levied on new buildings and extensions to buildings according to their floor area and the money raised from the development helps to pay for the infrastructure to ensure the Borough grows sustainably.

2. The intention is for Community Infrastructure Levy and planning obligations to play complementary roles. Community Infrastructure Levy will provide infrastructure to support the development of an area. The levy cannot be expected to pay for all of the infrastructure required but it is expected to make a significant contribution. S.106 obligations will provide site specific impact mitigation to make individual developments acceptable in planning terms and to provide affordable housing.

3. **Appendix A** "Community Infrastructure Levy and Section 106 Statement" provides a

more detailed explanation of how the two systems will operate.

4. The Borough Council has adopted a protocol for addressing cross boundary impacts of new development. This document sets out the principles guiding how Gedling Borough will work with its neighbouring authorities and the County Council when dealing with section 106 planning obligations relating to development which would have an impact on the services and facilities in a neighbouring authority.

5. The Levy takes effect through a Charging Schedule which sets out the rate or rates of charge. The first public stage in preparing this document was the Preliminary Draft Charging Schedule and consultation took place in the autumn of 2012.

6. The Charging Schedule relies on two important pieces of evidence – infrastructure planning and a viability assessment of the impact of the proposed rate of Community Infrastructure Levy on development in the Borough Council's area. The Infrastructure Development Plan sets out the range of infrastructure required to support the Aligned Core Strategies. The viability assessment must show that the proposed rate of Community Infrastructure Levy can be borne by most development without making the project commercially unviable.

Consultation Responses to the Draft Charging Schedule and Revised Draft Charging Schedule

7. The Draft Charging Schedule was originally issued for consultation in October 2013 and the key issues raised were reported to Cabinet. However, following the conclusion of this consultation there were significant changes in circumstances with further amendments to the Community Infrastructure Levy Regulations 2010 which came in force in February 2014. In combination with the review of the distribution of housing supply in the Aligned Core Strategy it was concluded that it would be appropriate to review the Draft Charging Schedule and a Revised Draft Charging Schedule was issued for a further round of consultation. The comments received on the original Draft Charging Schedule were therefore superseded by the review. The six week consultation on the Revised Draft Charging Schedule concluded in September 2014, with 22 respondents making over 120 comments.

8. Comments received on the Revised Draft Charging Schedule included disappointment that the document was being consulted upon at a time when the Inspector's Report on the ACS was not available and before the decision on the strategic sites and infrastructure needs were finalised. Concerns that the levy was based on a partial understanding of the infrastructure costs was also raised. Respondents also raised concerns over the marginal viability of two strategic sites – Top Wighay Farm and Gedling Colliery/ Chase Farm

9. A summary of the main issues raised from the Revised Draft Charging Schedule consultations with officer comments is attached at **Appendix B.**

Proposed Statement of Modifications to the Revised Draft Charging Schedule

10. Following the conclusion of the Revised Draft Charging Schedule consultation, it became apparent that an incorrect earlier version of the Residential Charging Map

was included with the consultation documents for the Revised Draft Charging Schedule. This incorrect version of the plan highlighted the removal of a small triangle of land to the south of Lambley ward which was shown to be in Residential Zone 2. The correct version of the plan as shown in the Statement of Modifications at **Appendix C** confirms that Lambley ward is wholly within Residential Zone 3 which accords with the sales evidence collated in the Land and Value Appraisal Study which was updated in April 2014. The area in question is substantially built up and, as such, not considered to be a substantive change or impact unduly on the Revised Draft Charging Schedule. The inclusion of the whole ward within Zone 3 will also greatly assist future monitoring requirements.

11. No changes are proposed to the charging rates and, it is proposed to continue with the residential CIL levels of £45 per square metre for Zone 2 and £70 per square metre for Zone 3**.** It has been decided to continue with a single commercial Community Infrastructure Levy level across the Borough of £60 per square metre for retail development only.

12. Changes are proposed to the Regulation 123 list in response to comments received on the Revised Draft Charging Schedule. Concern was expressed that the strategic sites in the adopted Aligned Core Strategy of Gedling Colliery/Chase Farm and Top Wighay Farm were both exhibiting marginal viability. As discussed at the Aligned Core Strategy hearing sessions, there is a degree of flexibility which can be applied to the Affordable Housing proportions adopted for each site, if delivery appears to be compromised. In order to help reduce the burden of s106 payments the Borough Council is responding to concerns raised at consultation by placing the secondary schools for Top Wighay Farm and Gedling Colliery/Chase Farm on the Regulation 123 list.

13. In view of the addition of the two secondary schools it is considered essential to ensure that the projects listed on the Regulation 123 list have a realistic prospect of delivery. Further changes to the Regulation 123 list are therefore proposed and include the removal of Arnold Town Centre – Leisure Centre Improvements and the prospective Special Protection Area (pSPA) mitigation measures again, in part, in response to the comments received. Funding sources and expenditure for both projects are yet to be determined and for the pSPA it is viewed that it is more local in nature than strategic infrastructure and will therefore be suitable for s106 contributions.

Further Issues Raised through Consultation which fall outside the remit of the Draft Charging Schedule

14. A number of respondents have requested the Borough Council consider the use of an **instalment model** for payments of CIL. It is agreed that an instalment policy will be of particular importance for larger developments and will give developers the flexibility to pay contributions in line with development phasing schemes and will facilitate cash flow and therefore development viability. However, an instalment policy is not a matter required to be dealt with by a CIL Charging Schedule and it is viewed that there is a need to build in flexibility into the process. The Borough Council therefore propose to use a separate document which will form part of the submission to the Inspectorate, as shown in **Appendix D**. This approach was previously proposed in the Preliminary

Draft Charging Schedule.

15. Gedling Borough Council may make relief available for **exceptional circumstances** in its area (**Appendix E**). The power to do this will be activated following the adoption of the Charging Schedule. The Regulations on this matter make clear that relief should only be granted in truly "exceptional circumstances". The fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an "exceptional circumstance" in relation to CIL Regulations.

16. There may also be circumstances where it will be more desirable for a charging authority to receive land instead of monies. The Regulations provide for the charging authorities to accept transfers of land as **payment in kind** for the whole or part of the levy, subject to the Borough Council's agreement.

Equalities Impact Needs Assessment

17. To comply with the public sector equality duty an Equality Impact Assessment (Section 1(1) of the Equality Act 2010) has been carried out on the Revised Draft Charging Schedule. The Assessment shows that the Community Infrastructure Levy will have a positive impact on the protected characteristics as it will increase the funds available for infrastructure in the Borough. No amendments are needed to the Revised Draft Charging Schedule.

Next Steps

18. Subject to Cabinet approval it is proposed to submit the Revised Draft Charging Schedule and Statement of Modifications along with the documents as listed below and attached as appendices to this report to the Planning Inspectorate for examination.

The Submission Documents include:-

- Revised Draft Charging Schedule (**Appendix F**);
- Statement of Modifications (**Appendix C)**;
- Viability Assessment (**Appendix G**);
- The Infrastructure Delivery Plan and the Existence of a Funding Gap (**Appendix H)**; and
- Exceptional Circumstances Relief (**Appendix E**).

19. Under section 212 (1) of the Planning Act 2009, before approving a charging schedule the Council must appoint a person ("the examiner") to examine a draft. The examiner must be someone who, in the opinion of the Council —

(a) is independent of the council, and

(b) has appropriate qualifications and experience.

The council may, with the agreement of the examiner, also appoint persons to assist the examiner. It is anticipated that the examination will take place in the summer 2015. Following receipt of the examiner's report the Borough Council would need to approve the final version of the Charging Schedule.

20. It is also the intention to draft a Supplementary Planning Document on CIL which will address the complex management and implementation issues of CIL.

Alternative Options

21. One option is not to submit the Revised Draft Charging Schedule with the Statement of Modifications to the Planning Inspectorate for examination but this would result in the inability to collect revenue from CIL and fund projects on Regulation 123 list. The production of a Community Infrastructure Levy has been previously recommended by Cabinet in accordance with the Community Infrastructure Levy Regulations 2010.

Financial Implications

22. The new Community Infrastructure Levy guidance is more specific about what needs to be presented at examination and that more pre examination input will be required. Currently the Borough has allowed for a two day examination but the new guidance has confirmed that any person must be heard before the examiner at the Community Infrastructure Levy examination if they have requested to be heard. Attendance at the examination was previously by the invitation of the Inspector.

23. The cost of the examination and associated tasks is likely to be in the region of £10,000 although in view of the review of the guidance it would not be unreasonable to anticipate an increase on that amount. However, the implementation of the Community Infrastructure Levy will allow the Borough Council the opportunity to start collecting revenue towards the necessary infrastructure. The cost of the examination will be met from the Efficiency and Innovation Reserve and the likely costs can be contained in this budget.

24. The Community Infrastructure Liability will be calculated when planning permission is issued. The trigger for payment is the commencement of development, with some payments being made through instalments. This instalments model is now proposed for inclusion as supporting documentation alongside the Revised Draft Charging Schedule.

25. Implementing Community Infrastructure Levy requires an up-front injection of time and money but it is anticipated that the Borough Council should see an increase in revenue after Community Infrastructure Levy partially replaces section 106. Members have previously agreed that the implementation and future project management of Community Infrastructure Levy will require the appointment of a senior member of staff.

26. As noted in the Cabinet report in September 2013 communities that draw up neighbourhood plans will receive 25 percent of the planning levy charged on new developments in their area. Neighbourhoods without a neighbourhood plan but where Community Infrastructure Levy is still charged will receive a 15 percent share of the

revenue from development in their area but this will be capped at £100 per council tax dwelling.

Appendices

- **Appendix A** – Community Infrastructure Levy and Section 106 Statement
- **Appendix B** – Revised Draft Charging Schedule Responses and Officer Comments
- **Appendix C** - Statement of Modifications to the Revised Draft Charging Schedule
- **Appendix D** - Proposed Instalment Model
- **Appendix E** – Exceptional Circumstances Relief
- **Appendix F** – Revised Draft Charging Schedule
- **Appendix G** – Viability Assessment
- **Appendix H** – The Infrastructure Delivery Plan and the Existence of a Funding Gap
- **Appendix I** – Equality Impact Assessment

Background Documents

- Protocol for Addressing Cross Boundary Impacts of New Development

Recommendations

THAT:

(i) Under the provisions of Regulation 19 of the Community Infrastructure Levy Regulations 2010 the Statement of Modifications be published for a period of four weeks to allow for public representations.

ii) In accordance with Regulations the Revised Draft Charging Schedule, Regulation 123 List, supporting documentation and representations received together with the changes the Council would propose to make in light of those representations be submitted for examination.

iii) The Corporate Director be authorised to appoint the examiner and if necessary, appoint other persons to assist the examiner.

iv) The Corporate Director in consultation with the Portfolio Holder for Leisure and Development be authorised to agree minor amendments to the revised draft documents in response to the consultation process.

Reasons for Recommendations

1. In order to progress the introduction of a Community Infrastructure Levy in accordance with the statutory procedure.

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Community Infrastructure Levy
Draft Charging Schedule
June 2014

Community Infrastructure Levy and Section 106 Statement

June 2014

1. Introduction

1.1 This document explains how Community Infrastructure Levy (CIL) and Section 106 will be used together to deliver planning obligations and to demonstrate that developers will not be required to pay twice for the provision of infrastructure, through both a CIL charge and a Section 106 contribution. A clear and transparent system is necessary for identifying what infrastructure will be funded through CIL and in what circumstances infrastructure would be required in addition to the CIL payment as a planning obligation.

1.2 Paragraph 206 of the National Planning Policy Framework (NPPF)[1] states that planning conditions should only be imposed where they are necessary, relevant and reasonable in all other respects. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition and where they meet the three tests set out in CIL Regulation 122 and paragraph 204 of the NPPF:

'*A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –*
a) necessary to make the development acceptable in planning terms;
b) directly related to the development; and
c) fairly and reasonably related in scale and kind to the development.'

2. Community Infrastructure Levy and Section 106

2.1 After 6 April 2015, or on adoption of CIL (whichever is earlier), Gedling Borough Council will only be able to pool up to five Section 106 contributions towards the implementation of a specific item of infrastructure. If such an item is to be delivered wholly or partly through CIL, this item of infrastructure must be clearly exempt from a planning obligation and these will be identified in the Council's Regulation 123 List, which will detail the specific items of infrastructure that will be delivered by CIL.

2.2 The Community Infrastructure Levy Revised Draft Charging Schedule stage[2] includes a draft Regulation 123 List. The specific items of infrastructure listed are as follows:

- Project 1: Gedling Colliery – Contribution to the Gedling Access Road to facilitate development of the Gedling Colliery/Chase Farm site;
- Project 2: Gedling Colliery Country Park – Visitor Centre;
- Project 3: Secondary School for Gedling Colliery/Chase Farm site; and
- Project 4: Secondary School for Top Wighay Farm site.

2.3 Section 106 has raised significant sums for infrastructure provision over a number of years, as detailed in Table 1 below.

[1] https://www.gov.uk/government/publications/national-planning-policy-framework--2
[2] https://consultplanningpolicy.gedling.gov.uk/consult.ti/cil_revdcs/consultationHome

Table 1: Section 106 payments received in Gedling Borough during the period 1 April 2005 to 31 March 2014

Year	Total Section 106 Money Received
1 April 2005 – 31 March 2006	£12,544.00
1 April 2006 – 31 March 2007	£321,477.83
1 April 2007 – 31 March 2008	£83,648.00
1 April 2008 – 31 March 2009	£94,128.82
1 April 2009 – 31 March 2010	£448,079.57
1 April 2010 – 31 March 2011	£76,537.00
1 April 2011 – 31 March 2012	£0.00
1 April 2012 – 31 March 2013	£0.00
1 April 2013 – 31 March 2014	£1,061,423.37
Total	**£2,097,838.59**

2.4 Table 1 shows that between 1 April 2005 and 31 March 2014, Section 106 receipts have averaged about £233,093 a year. Affordable housing accounted for 56 % of Section 106 payments during that period. 40% of the Section 106 payments were for provision and maintenance of on-site and off-site open space and recreational facilities, followed by 3% for a healthcare facility and 1% for provision of signs.

2.5 CIL has the potential to exceed Section 106 and capture the potential for infrastructure funding that was achieved in the higher Section 106 contribution years. Through CIL all but the smallest building projects will make a contribution towards additional infrastructure but this will be based on viability testing.

2.6 CIL is expected to result in a reduction in average Section 106 payments. As the viability assumptions have used current levels, this represents a cautious but realistic approach to viability and the recommended CIL rates. It should be noted that the viability assessments demonstrate that the proposed rate of CIL can be borne by most development without making the project commercially unviable.

3. Section 106 Audit

3.1 At the time of the adoption of CIL, an audit of outstanding Section 106 Agreements will be produced that will set out developments that are expected to contribute a Section 106 payment. This will be produced in draft form for the CIL examination.

4. Planning Obligations and the Gedling Borough Local Plan

4.1 It is anticipated that Gedling Borough's Core Strategy will be adopted in September 2014. Once adopted, this will replace some of the policies in the Gedling Borough Replacement Local Plan (Certain Policies Saved 2008). The following policies may require developer contributions to infrastructure provision. In particular, policies 18 and 19 of the Core Strategy relate to Infrastructure and Developer Contributions respectively.

Core Strategy (Submission/Proposed Modifications Version):

- Policy 1: Climate Change
- Policy 2: The Spatial Strategy
- Policy 4: Employment Provision and Economic Development
- Policy 6: Role of Town and Local Centres
- Policy 7: Regeneration
- Policy 8: Housing Size, Mix and Choice
- Policy 9: Gypsies, Travellers and Travelling Showpeople
- Policy 10: Design and Enhancing Local Identity
- Policy 11: The Historic Environment
- Policy 12: Local Services and Healthy Lifestyles
- Policy 13: Culture, Tourism and Sport
- Policy 14: Managing Travel Demand
- Policy 15: Transport Infrastructure Priorities
- Policy 16: Green Infrastructure, Parks and Open Space
- Policy 17: Biodiversity
- Policy 18: Infrastructure
- Policy 19: Developer Contributions

Gedling Borough Replacement Local Plan (Certain Policies Saved):

- Policy H2: Distribution of Residential Development
- Policy H3: Land at Former Gedling Colliery and Chase Farm
- Policy H4: Stockings Farm
- Policy H5: Teal Close / North of Victoria Park
- Policy H6: Top Wighay Farm
- Policy H18: Affordable Housing
- Policy E1: Allocation of Employment Land
- Policy E2: Proposed Mixed Use at Hillcrest Park, Calverton
- Policy T1: New Developments – Developer Contributions
- Policy T3: Proposed Transport Schemes
- Policy C2: Community Facilities for New Development
- Policy R3: Provision of Open Space with New Residential Development

Supplementary Planning Documents:

- Affordable Housing (2009)
- Parking Provision for Residential Developments (2012)

4.2 Planning obligations will continue to cover affordable housing and site-related mitigation measures. Some Replacement Local Plan and Core Strategy policies may require additional contributions to meet site specific requirements. For example, Policy R3 of the Gedling Borough Replacement Local Plan requires the provision of open space to serve new residential development and allows for the provision of a financial contribution to provide or enhance off site facilities as an alternative to provision within the development. Other examples are set out in Table 5.

4.3 Paragraph 22 of the CIL Guidance also states that the charging authority should assess the extent to which affordable housing targets have been met in recent years. Table 2 below shows that the target has been met in only 3 of the last 7 years.

Table 2: Affordable housing provided in Gedling Borough

Year	Affordable homes delivered *	Local Plan Policy H18 [3]	Affordable Housing SPD [4]
1 April 2006 – 31 March 2007	14%	20 %	
1 April 2007 – 31 March 2008	21%	20 %	
1 April 2008 – 31 March 2009	21%	20 %	
1 April 2009 – 31 March 2010	18%	20 %	20%
1 April 2010 – 31 March 2011	14%		20%
1 April 2011 – 31 March 2012	20%		20%
1 April 2012 – 31 March 2013	16%		20%

* Excluding transfers and acquisitions

4.4 The figures in the table do not directly relate to negotiations on affordable housing contributions, as they include affordable housing provided directly by the public sector as well as simply as part of private developments.

Table 3: Proposed CIL charging zones and affordable housing targets

Development type	Charging zone	Proposed CIL rate (£ per sq m)	Affordable housing target
Residential	Zone 1	£0/sq m	10%, 20% or 30% *
	Zone 2	£45/sq m	20% or 30% *
	Zone 3	£70/sq m	10% or 30% *
Commercial	Borough wide	£60/sq m	n/a

* Depending on location

4.5 The figures in Table 3 reflect viability studies for both CIL and affordable housing delivery. See Appendix 1 for maps showing CIL residential charging zones (included in the Revised Draft Charging Schedule) and affordable housing requirements (included in the 2009 Affordable Housing Supplementary Planning Document).

4.6 Table 4 overleaf shows the Section 106 contributions paid within the different charging zones for residential schemes and borough wide charging zone for commercial schemes and compares them with the CIL charges that would have been paid during the period 1 April 2011 to 31 March 2014, to illustrate the potential impact of CIL in certain areas.

Table 4: Relative Section 106 payments received and equivalent CIL potential income by Charging Zone during the period 1 April 2011 to 31 March 2014

Development type	Charging Zone	Section 106 payments received	Equivalent CIL potential income *

[3] Replacement Local Plan Policy H18 set a target of 20% of new housing provision (where appropriate) to be affordable on large sites of 1 hectare or more. This policy has been replaced by the Affordable Housing Supplementary Planning Document in December 2009.
[4] Affordable Housing Supplementary Planning Document requires the provision of 10%, 20% and 30% affordable housing in different sub markets within the Borough (see Appendix 1) on sites of 15 dwellings or greater. An average of 20% is used as a target.

Residential	Zone 1	£0.00	£0.00
	Zone 2	£1,061,423.37	£1,126,912.50
	Zone 3	£0.00	£278,775.00
Commercial	Borough wide	£0.00	£133,980.00
Total		**£1,061,423.37**	**£1,539,667.50**

* See Appendix 2 for calculation assumptions for equivalent CIL potential income

4.7 The table shows that developers in most areas would pay more in CIL than they have paid through Section 106. This is understandable as CIL is expected to raise additional funding with more CIL liable developments.

5. When Section 106 Agreements will still be used

5.1 In addition to CIL, developers will still be expected to mitigate any impact on the environment or local infrastructure that arises directly as a result of the development, in line with the tests set out in paragraph 1.2. The following will continue to be provided through planning obligations:

- Affordable housing (as this is outside the scope of CIL);
- Infrastructure that is required as a result of specific development (and is not included in the Regulation 123 list);
- Commuted sums for the maintenance of facilities/infrastructure that the developer would like another body to adopt; and
- Mitigating the direct negative impacts of development.

5.2 Certain larger scale developments will create their own demand for new infrastructure and will have a greater impact on the local area. Wherever possible, the provision of site-related infrastructure will be required on site, as in most cases provision will be integral to the design of new development. For example, a large development may be required to provide new open space on site (see Gedling Borough Replacement Local Plan Policy R3). However, there will be cases where it is neither practicable nor appropriate to provide open space on site, so the Council may require financial contributions towards the provision of open space off-site instead.

5.3 The Council will ensure that no ‘double counting’ takes place and that developers will not be charged twice for the same infrastructure (in line with the CIL Regulations). Table 5 overleaf lists the key forms of contributions likely to be sought from Section 106 Agreements and the Replacement Local Plan or Core Strategy policy that requires them. It should be noted that this list of infrastructure types is not exhaustive.

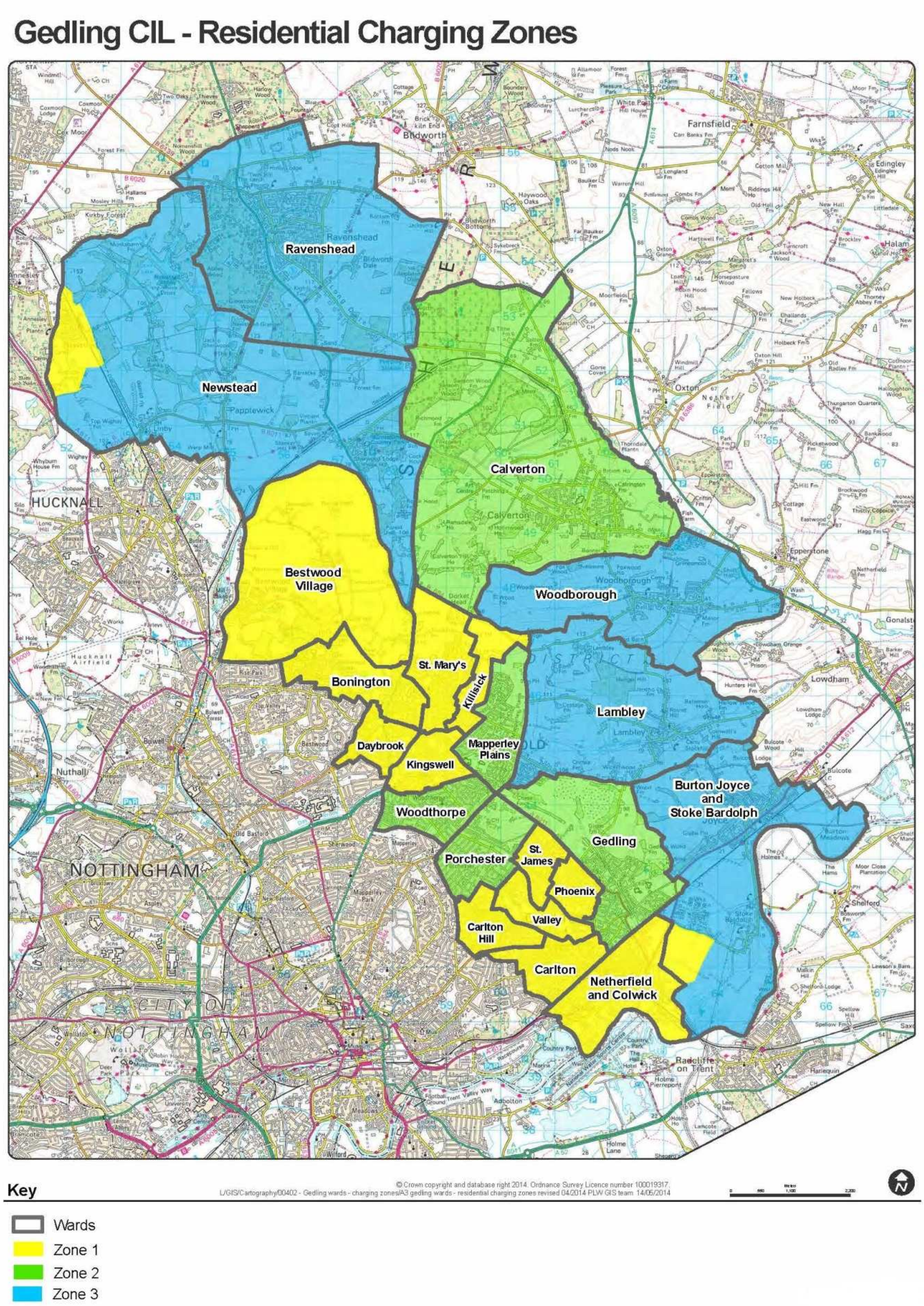
Table 5: Infrastructure types delivered through Section 106 and CIL

Infrastructure *	Local Plan Policy	Core Strategy Policy	S106 Infrastructure	CIL funded Infrastructure
Transport	T1, T3	2, 15, 18, 19	Site-related requirements only.	Project 1 (Gedling Access Road).
Drainage and flood protection		1, 18, 19	Site-related flood defence infrastructure (such as SUDS).	
Public transport and travel behavioural change measures.	T1	14, 18, 19	Site-related requirements only.	
Affordable housing	H18	8, 19	Provision of units on-site or contributions towards off-site provision.	
Education	C2	12, 18, 19	School and educational places/facilities where there are insufficient.	Project 3 (Secondary School Provision for Gedling Colliery/Chase Farm) Project 4 (Secondary School Provision for Top Wighay Farm)
Open space	R3	2, 11, 16, 18, 19	Site-related requirements only or replacement of open space lost through development.	
Community and cultural facilities	C2	11, 12, 19		Project 2 (Visitor Centre for Gedling Country Park) and Project 3 (Leisure Centre Extension).
Health and social care facilities	C2	12, 18, 19	New health facilities within large developments.	Project 2 (Visitor Centre)
Emergency services		19	Site-related requirements only.	
Environmental improvements		11, 16, 19	Site-related requirements only.	
Waste recycling facilities		19	Site-related requirements only.	
Shopping facilities		6, 19	Site-related requirements only.	
Green Infrastructure	R3	2, 11, 16, 18, 19		
Information and Communication Technology		19	Site-related requirements only.	
Training and employment measures for local people		4, 19	Site-related requirements only.	

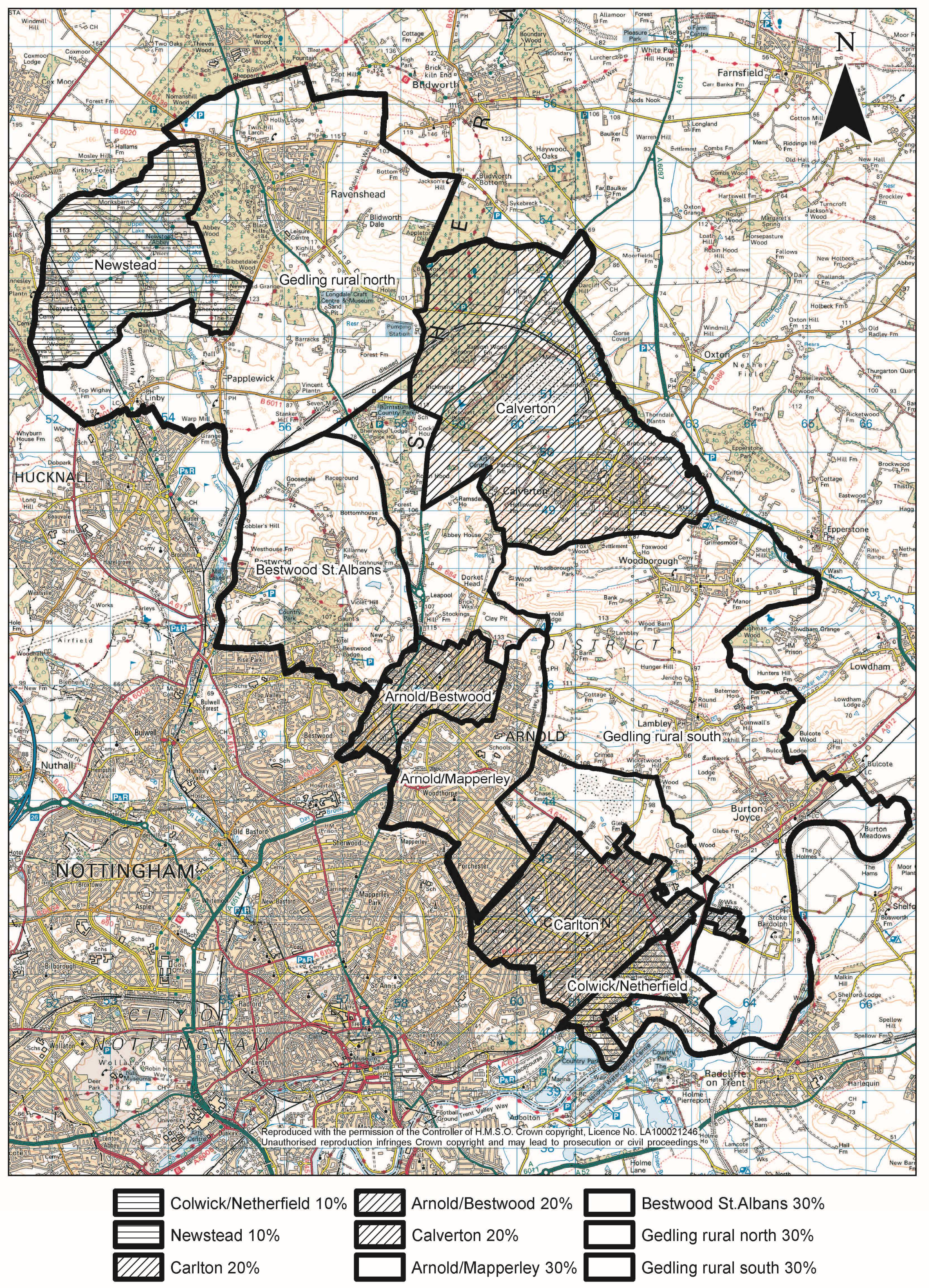
* Infrastructure types taken from paragraph 3.19.2 of the Core Strategy (Submission/Proposed Modifications Version)

APPENDIX 1

Map 1: CIL Residential Charging Zones (from the Revised Draft Charging Schedule, 2014)



Map 2: Affordable Housing Requirements (from the Affordable Housing Supplementary Planning Document, 2009)



APPENDIX 2

Calculation assumptions for equivalent CIL potential income:

- CIL is charged on new residential and commercial floorspace at the rate set in the Council's Revised Draft Charging Schedule.
- Includes residential and commercial development commenced between 1 April 2011 and 31 March 2014.
- Residential development – includes one or more new dwellings (except the conversion of a single dwelling into separate dwellings).
- Assumes average size of 90 sq m for each new dwelling unit (see Appendix 1 of The Infrastructure Delivery Plan and the Existence of a Funding Gap).
- No CIL is payable on affordable housing element.
- The Council does not currently collect data on self-build.
- Commercial development – includes new build floorspace (including extensions and replacement) of 100 sq m or above.
- The total floorspace of any buildings on site is subtracted from the floorspace of the chargeable development, where the existing buildings have been in use for a period of at least six months within the past three years ending on the day planning permission first permits the chargeable development.
- Assume CIL instalment payments are paid according to the potential instalment model set out on page 12 of the Preliminary Draft Charging Schedule (September 2012) which have yet to be agreed – payments due on 90th day, 270th day, 360th day, 540th day and 720th day. Any remaining payments due after 31 March 2014 are not included.

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Revised Draft Charging Schedule Responses and Officer Comments

Q1 Do you agree with the proposed boundaries of the residential zones?

Mr Richmond	No
David West	Yes
Natural England (Roslyn Deeming)	Yes
Andrew Carter	No
C A Peck	No
Ashfield District Council (Neil Oxby)	No
Ken Mafham Associates (Ken Mafham)	No

Q2 Do you agree with the proposed commercial zone?

Mr Richmond	No
David West	Yes
Natural England (Roslyn Deeming)	Yes
Andrew Carter	Yes
Ashfield District Council (Neil Oxby)	Yes

Q3 Please use this space to suggest any changes to the boundaries of the identified zones.

Mr Richmond	No building on green belt brownfield sites should be zoned as zero charge	Green belt development is a matter considered through the Local Plan process. The supporting evidence provides full justification for both values and zones.
Andrew Carter	It is unfair that people who live in Ravenshead will have to pay £70 /m sq when other areas are free or much lower. Just because I live in Ravenshead does not mean I have more money. Let us have a level playing field and charge all areas the same amount.	Extensive comparable information which is available for inspection provides full justification for both values and zones. Ravenshead sits within the higher value area.
C A Peck	Gedling Ward should be Zone 1 to allow for former Colliery site to be treated appropriately. Urban Brownfield sites should be promoted before those in Rural areas. Green Belt development should only be considered when no other Brownfield sites are available within the whole of the Borough.	Gedling Colliery/Chase Farm site has been looked at in considerable detail before placing it within Zone 2. It was recognised at the Aligned Core Strategy Public Examination that a degree of compromise as regards affordable housing percentages may be required to ensure site delivery and, that this would be dependent on the values and costs applicable to individual sites at the date of application. The development of Green Belt is not a value or CIL issue and is being considered through the Local Plan process. Gedling Colliery/Chase Farm has been dealt with via viability testing.
Ashfield District Council (Neil Oxby)	Ashfield District Council has concerns that the strategic sites residential sites at Top Wighay Farm and North of Papplewick Lane, adjacent to Hucknall, are viable in terms of	The level of affordable housing is set as a target figure rather than a defined requirement. It was recognised at the Aligned Core Strategy Public Examination

	a requirement for 30% affordable housing, site specific S106 planning obligations and the proposed CIL requirement. It is not considered that these sites will support a CIL level of £70 per square metre as well as the other necessary infrastructure. Therefore, the Council would question whether theses site should be within residential Zone 3? Ashfield District Council Local Plan & CIL Viability Assessment December 2013 confirmed that it was appropriate to seek 25% affordable housing in Hucknall which would suggest that a further residential zone is required or alternatively the sites in question should either be in Zone 2 or Zone 1. (Please see the more detail response to Q8)	that a degree of compromise as regards affordable housing percentages may be required to ensure site delivery and, that this would be dependent on the values and costs applicable to individual sites at the date of application. Additional contributions will be negotiated via S.106 and will not be at a level which will render the site undeliverable. North of Papplewick Lane will not be subject to CIL as an application for development of the site has been determined.
Ken Mafham Associates (Ken Mafham)	2.1 In specific terms we submit that Gedling Ward should be put in Zone 1. The ward includes Gedling Colliery and the inclusion of the area in Zone 1 would obviate the need for special treatment of Gedling Colliery. We support the inclusion of Netherfield in Zone 1 since this will support the development of the major brownfield site at Teal Close as well as other brownfield sites. 3.1 The CIL schedule needs to be evidence based and so we have looked at the supporting material for justification for Gedling being included on Zone 2 . The main evidence is set out in the Viability Assessment of June 2014 and Appendix One in particular. That document refers to other studies carried out but these are not listed as part of the evidence base. Had the earlier studies reached important conclusions they should have been summarised in the Viability Assessment. In general terms we submit that the proposed schedule is not legally compliant with Part 2 Sections 105 to 225 in that the schedule is not based on " appropriate available" evidence. 3.2 So far as the Gedling Ward zone is concerned we note from Appendix One that residual land values in Zone 1 are £1.13m compared with an average of £1.5m in Zone 2. The difference is 33% but the difference in the CIL is very significant. The extra burden from CIL on a site such as Gedling Colliery is likely to be almost half a million pounds more if the site is subject to the Zone 2 regime than if the zero charge of	See response to Ashfield District Council Q3 above. It is considered that the Revised Draft Charging Schedule is supported by appropriate available evidence.

	Zone 1 applied 3.3 The Zone 1 and Zone 2 values quoted above are given at the top of page 8 of Appendix One without any transparent explanation of their derivation. They are presumably a mean for all areas proposed to be included within the respective zones . What is required is a list of the transactions that contribute to that mean. Even if this were provided there would remain a methodological flaw and that is that no assessment is made of the type of site that is likely to be developed in a particular zone in the future as a opposed to the past. If brownfield sites are likely to predominate, as they will in Gedling Ward, then greater weight should be given to data for that type of site in calculating a mean residual value for the purposes of a viability assessment.	
	3.5 We also have concerns with the lack of evidence for the assumed 50:50 split of uplift in land value as a result of the granting of planning permission. The first part of the justification is set out in the last paragraph of page 5 . That paragraph is in fact internally inconsistent in that Gedling BC say that their experience suggests 50% to the land owner is the minimum that a landowner will accept. Adopting that minimum means that some landowners will withhold their sites. The " experience" of Gedling BC in this matter is not set out in any detail and it should be. The second part of the justification is what is referred to as the "Wokingham " appeal decision. This is one decision in one area at one point in time. It is a decision not tested in the Courts and there is no justification whatsoever for applying the figure decided upon in that case to the whole of Gedling borough for the foreseeable future.	The reason that a benchmarking approach to land value allowances is adopted in the study is that historic market land values may not reasonably reflect a fair allowance for the purpose of viability appraisal in planning. They cannot account for the future imposition of a development land tax like CIL and rarely reflect the true cost of affordable housing and planning policy impacts. There are also many other elements that influence the purchasers of land that may skew the true value for the purposes of viability assessment. The 'true' value of land will always be based on the sale value of the completed development that emerges from the site and that is the basis of the approach. The key for any viability appraisal in planning is establishing a land value that provides a 'competitive return 'to the landowner as required by the NPPF – and not the maximum land value achievable based on comparable evidence. The Harman Report – 'Viability Testing Local Plans' which is recognised as providing best practice guidance, recommends that land values in viability appraisal should be based on Existing Use Value plus a premium to incentivise landowners to sell. Harman is a little ambiguous on how this premium should be established. The Council considers that it is both logical and reasonable that the uplift in value

		resulting from a planning permission is split 50:50 between the landowner (as a competitive return) and the community (who have a reasonable expectation that new development will contribute to the affordable housing and infrastructure requirements that it generates). This was the approach adopted in the Shinfield (Wokingham) Appeal case – which is one of few post NPPF appeals to look at benchmark land values in any depth and has been accepted in other CIL and Local Plan Examinations in which HEB have been involved.
	3.4 In fact we see no evidence of land values in the Gedling zone and indeed Hebs market research for Gedling Borough is limited to five sites all small. One cannot reach conclusions on large sites from this kind of information. The statement that land trading in Nottingham has an average of £1.2 m is without any real meaning . If this is a mean is it a weighted mean.?What was the range ? What was the modal value?	It is important to note that "market value" land evidence is employed for a "sense check" appraisal only. The methodology is primarily driven by residual land values, derived sales data. Notwithstanding this, where we have listed land transactions we are only able to report the transactions that have occurred in what has been a subdued market until recently. The guidance specifies appropriate *available* evidence. The Guidance further recognises that "the available data is unlikely to be fully comprehensive".
	3.5 Para 5 adds a further five sites although it is not clear how these relate to the HCA reports previously referred to. Two of the sites are not in Gedling. The range in Gelding is enormous. £ 0.9m to £1 .9.m per hectare.	The 5 sites referred to are not intended to relate to the HCA reports, which are quoted as additional background data. We believe that listing 5 additional large land transactions (3 in Gedling, one immediately adjacent and one in the Greater Nottingham area) is more than adequate and hardly constitutes "no evidence of land values" as suggested at 3.4. It is a Chartered Surveyor's expert role to assess such data as is available to allow them to provide a reasoned assumption for an appropriate value. The report acknowledges a large range for the Borough – hence a zoned approach is appropriate, as adopted.

		Finally the suggested range of values has been referred to stake-holders by way of the land buying teams at the various house builders listed in the valuation report Terms of Reference. General sentiment confirmed that the high –medium-low zone figures fairly represented an appropriate tone range.

Q4 Do you agree with the proposed residential charges?

Mr Richmond	No
David West	Yes
Natural England (Roslyn Deeming)	Yes
Andrew Carter	No
C A Peck	No
Ashfield District Council (Neil Oxby)	No

Q5 Do you agree with the proposed commercial charges?

Mr Richmond	Yes
David West	Yes
Natural England (Roslyn Deeming)	Yes
Andrew Carter	Yes
C A Peck	No
Aldergate Properties Ltd (Mr Scholter)	No
Ashfield District Council (Neil Oxby)	Yes

Q6 Please use this space to suggest any changes to the proposed residential and commercial charges.

Mr Richmond	Disagree with charge for residential and self build	See response to Q3.
Andrew Carter	It is unfair that people who live in Ravenshead will have to pay £70 /m sq when other areas are free or much lower. Just because I live in Ravenshead does not mean I have more money. Let us have a level playing field and charge all areas the same amount.	See response to Q3.
C A Peck	Scales of charges re Brownfield sites v. greenfield sites v. greenbelt sites should be considered, Charges could be varied according to contamination of Brownfield sites.	Site specific issues are not considered as part of the CIL process. Contamination will be dealt with when land prices are negotiated.
Aldergate Properties Ltd (Mr Scholter)	CIL Consultation Response I'm sorry to say we are suffering from 'consultation fatigue' and it is not easy to understand what, if any, additional significance there is in the latest tome. It seems that the concerns expressed in our earlier submissions (copy attached	

	for ease of reference) haven't been addressed and that despite the voluminous paperwork the proposed CIL structure and rates are largely based on 'guesstimates'. The potential impact on the delivery of housing should not be under estimated. If the rates are too high, the Council will fail to provide the boost to housing supply which it desires and which the Government requires it to provide. I dare say the Council will continue to plough its own furrow but we feel it should amend its proposals to ensure:- 1. It has maximum flexibility to react quickly to amend – perhaps to nil - its CIL Charges where the supply of housing is adversely affected by its imposition – whether that be for "green field" or "brown land" development. 2. It adopts a policy where 'exceptional relief' provisions are sufficiently wide (disappointed to see that the Council's policy on this isn't available as part of this consultation) to ensure that CIL can be 'waived' or reduced in all cases where the viability of schemes is threatened by CIL and irrespective of periods of, or changes in, ownership. This is important since the consultants" guesstimates" on viability ignore such real life problems as historic purchase and assembly costs, abnormal development costs including site remediation/de-contamination, demolition, exceptional utility costs etc. 3. That rebates/exemptions for redevelopment of sites, by for example "credits" for existing floor space are applied irrespective of periods of ownership or occupation. Those rebates should remain available even where demolition of buildings has taken place before approval of an Application to which CIL may be apply. Finally we consider that Retail development should have a CIL Rate of Nil. The predicted receipts from retail development are very modest indeed and at best are likely to make an	The Council intends to monitor closely the effect if any of CIL on development in the Borough and will review the Charging Schedule on a regular basis. The Council's supporting document "Community Infrastructure Levy and Section 106 Statement" explains how CIL and s106 will be used together to deliver infrastructure requirements. It is viewed that there is sufficient flexibility within this system and it should be noted that the proposed rate of CIL can be borne by most development without making projects commercially unviable. The Council may make relief available for "exceptional circumstances" in its area and background information is provided in the supporting document "CIL Exceptional Circumstances Relief 2014". However, the regulations are clear that relief should only be granted in truly "exceptional circumstances". The fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an "exceptional circumstance" in relation to the CIL Regulations. The Council cannot determine how credit for existing floor space is applied. This is set out in the CIL Regulations. The appraisals conducted show that retail development can bear CIL and the Regulations state that if a development can support the Levy the Charging Authority (CA) must charge. The CA

	insignificant contribution to the "pot". is The thrust of Policy is to ensure as much retail development as possible is undertaken within or adjacent to Town Centres, such development may already be of marginal viability since site assembly costs will be high in such locations. The "risk versus return" equation Our Town Centres are by definition already well served by infrastructure and development within them is unlikely to give rise to the need for additional provision. require Part of the Policy reason for Impacts from retail development outside of the The Application of CIL to retail given particularly within the town centre is questioned. The expected 'return' is, in the greater scheme of things, relatively small and the risk of preventing or delaying such as town centre regenerative development is likely to be sufficiently high to warrant exclusion of A1 development, certainly within town centres, if not in the wider area.	cannot selectively favour a category. Notwithstanding this Town Centres are unlikely to attract CIL since they are already developed and increases in floorspace will be negligible.
NFU East Midlands Region (Paul Tame)	Thank you for consulting the NFU on the revised CIL draft charging schedule. We have an issue with the CIL Rates section in the draft charging schedule. With a rapidly growing population, the pressures on land use are greater than ever before an in a time of food shortage and rising costs for consumers farmers need to become more productive. Furthermore, after a long period of poor investment in the industry due to low farming returns, we are now seeing a rise in commodity prices; this along with the rising value of land has meant that farmers are now in a better position to invest in their farming enterprises. Farmers will be seeking permission, for instance, for new, larger agricultural buildings, creating new housing for succession, retirement and expansion of businesses and diversification with a view to remain viable and to keep up to date with today's environmental and welfare conditions. Farmers also need to respond to regulatory changes. Nitrate Vulnerable	Agricultural buildings are zero rated and would not attract CIL. CIL is generally not applicable to barn conversions as development only attracts a CIL charge if new build. Housing for farm workers is rarely developed but would be more viable than ordinary housing as the land would be at nil cost.

	Zones, for example, will require farmers to store slurry for longer periods over the winter months and this will require much larger slurry tanks and lagoons to be constructed over the next two to three years. Agricultural developments place no in a few cases a very limited extra burden upon infrastructure. The CIL is essentially a levy on the enhanced value of development land. There is no enhanced value with agricultural development and therefore CIL would have to be paid from revenue making all/most agricultural development unviable. In the Community Infrastructure Levy – Draft Charging Schedule agriculture is not included and therefore has no set charge. To ensure a clear and fair charging schedule we suggest that the following wording is used for Agriculture, Agriculture Tied Houses and Barn Conversions. Development type- Agriculture, Agriculture Tied Houses and Barn Conversions Proposed CIL rate per sq. m.- £0 Currently in the Community Infrastructure Levy in the Borough of Gedling houses will incur a charge between £0 and £70 per square metre and shops a charge of between £0 and £60 per square metre; given the importance of agriculture within this rural area there should be an exemption for all agricultural buildings, agriculture tied buildings, farm shops and any barn conversions. For agriculture to become sustainable in future it will be essential that developments including all agriculture buildings and structures, agriculturally tied buildings and any barn conversions are able to gain planning permission easily and without any additional costs.	
Ashfield District Council (Neil Oxby)	As is set out above in Question 3, Ashfield District Council has concerns regarding the CIL rate in relation to Top Wighay Farm and North of Papplewick Lane, adjacent to Hucknall. It is not considered that a £70 rate can be	See response to Ashfield District Council Q3 above.

	justified in relation to 30% affordable housing and site specific planning obligations. (Please see the more detail response to Q8)	
Gladman Developments (Peter Dutton)	Differential charging rates The CLG guidance notes that the use of differential charging rates can be an appropriate approach where there is clear viability and evidence to justify this. The CIL regulations allow charging authorities to apply differential rates in a flexible way, to help ensure the viability of development is not put at risk. The rules around the use of differential rates in the Charging Schedule are clear: they can only be applied in relation to different geographical zones in which development would be situated, related to different types of development, and/or scales of development. Furthermore as the Government's CIL guidance and inspectors have made clear, differential rates should be set "based on economic viability considerations alone, rather than any planning or public policy related choices" (Paragraph 14, Newark and Sherwood EIP report, August 2011), and "CIL is not intended to be a planning policy tool" (Paragraph 23, Huntingdonshire EIP report, April 2012). Charging Schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development. It is integral when setting differential rates for different geographical areas that these differential rates are based on accurate, up to date housing market intelligence forming the evidence base for this decision. Discretionary Relief Regulation 55 of the CIL Regulations allows local authorities to grant relief for exceptional circumstances from liability to pay CIL. Such provision should be factored into the Council's CIL and will avoid rendering sites with	Comments are noted. The Council may make relief available for "exceptional circumstances" in its area and background information is provided in the supporting document "CIL Exceptional Circumstances Relief 2014". However, the regulations are clear that

	specific and exceptional cost burdens unviable should exceptional circumstances arise. Payments in Kind Regulations 73 and 73A of the CIL Regulations provide a mechanism for local authorities to accept infrastructure payments in kind, for land or infrastructure to be provided instead of money to satisfy a charge arising from the levy. An allowance for infrastructure payments should be therefore be made available by the council, recognising that there may be time, cost and efficiency benefits in accepting land or infrastructure from parties liable for payment of the levy.	relief should only be granted in truly “exceptional circumstances”. The fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an “exceptional circumstance” in relation to the CIL Regulations. It is noted that the Regulations allow payments in kind and there may be circumstances where it will be more desirable for the Charging Authority to receive land instead of monies. The merits of an individual case would need to be reviewed by the Council.
	It is fundamental that the Council ensures that the proposed levy rates are realistic and not set too high. Arbitrarily high rates may jeopardise the delivery of housing schemes within the area. This would be contrary to the Government's aim outlined in the framework to "significantly boost the supply of housing", as schemes may not come forward due to viability issues. The Council's CIL charging rates must not threaten the overall delivery of the Local Plan, by making sites unviable. This point is reiterated in the CLG guidance, which states that "Charging authorities should set a rate which does not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan" (Section 2:2, CLG Guidance, 2014). When testing the impact of CIL it is vital that the assumptions that underlie the standard residual valuation approach used to test the impact on viability of CIL are realistic and accurate. This should include abnormal costs, contingency costs, preliminary costs, and developer profit, which should reflect the current level of risk perceived in the market.	It should be noted that the viability assessments demonstrate that the proposed rate of CIL can be borne by most development without making projects commercially unviable.
	Gladman would urge the council to adopt the instalments policy for CIL payments as this will give developers the flexibility to pay contributions in line with development phasing	The Council propose to adopt an Instalment Policy which is a separate submission document.

	schemes and will facilitate cash flow and therefore development viability. With this in mind, in accordance with Regulation 8(3A) of the CIL regulations the council should also accept the phasing of planning permissions, with each phase treated as separate chargeable development. Gladman also remind the Council of the need to review CIL tariffs once these have been set. The economic climate will inevitably change over the course of the plan period and as such the levy rates that can be set whilst ensuring development remains viable will also change. In accordance with the CLG guidance "charging authorities must keep their charging schedules under review and that the levy charges remain appropriate over time. For example charging schedules should take account of changes in market conditions, and remain relevant to the funding gap for the infrastructure needed to support the development of the area" (Section 2:2:6:3, CLG Guidance, 2014). Gladman believe that the council need to have a clear understanding of the level of residential development to be brought forward in the plan period when preparing the charging schedule as this will directly influence the influence the scale of CIL that will be generated. Without this the charging schedule will not reflect the relevant and true infrastructure needs of the area.	 The Council will regularly review the Charging Schedule. The Council has provided a detailed housing trajectory for the Borough over the CIL period.
Ken Mafham Associates (Ken Mafham)	4.1 The last round of consultation raised the following issues among others The viability study has failed to test scenarios which reflect those sites and key areas identified for the delivery of housing over the plan period. The brownfield land scenarios are likely to require an element of site clearance and should be allowed for within the appraisals; Site-by-site "variables" such as land contamination are bound to imply that some developments' economic viability	 It is accepted that brownfield development is likely to have abnormal costs associated with it. However all land and property values assume that the site is in a 'developable' state following grant of planning permission. For consistency between value and cost assessment, the study therefore takes the view that any

	will be potentially undermined by CIL whereas others will still go forward profitably; These concerns are not addressed in the report on consultation nor in the redrafting of the charging schedule. The schedule sets out the rates that will apply in the relevant zones without any adjustment save those set out in the section on Exemptions and Reliefs. The only one of these that could conceivably apply to brownfield sites with high costs is the discretion the Council retains to lower the rate in "exceptional circumstances". If these are meant to apply to brownfield sites the schedule should say so quite clearly otherwise the schedule does not provide transparent guidance to the development industry and so conflicts with para 154 of the NPPF which requires clarity. 4.2 Table 8 of the 2014 Viability Assessment shows a " viability " figure for Gedling Colliery of £ 8014 compared with an equivalent figure for Top Wighay Farm of £386,113. This suggests that Gedling Colliery's viability with a CIL of £45 per square metre is marginal. All the evidence given by officers of the BC at the Public Examination of the Aligned Core Strategy confirm the site is marginally viable. It is very sensitive to the funding of the Gedling Access Road. We have concluded in the preceding section that the proposed charging schedule leaves the Council with little or no discretion to lessen the CIL rate in the interests of viability. Gedling Colliery will supply 15% of the total housing requirement for the Borough and it is imperative that the CIL does not in any way impeded development of Gedling Colliery and similar sites. The simplest way to achieve this is to include Gedling Ward in Zone 1. 4.3 The other relevant piece of evidence is the Report on CIL Appraisal Results. This consists of a series of tables without any introduction or explanation and this is to be regretted and is arguably in contravention of the Aarhus Convention which seeks	abnormal costs associated with bringing land up to this state (eg decontamination) should be deducted from the land value – as they are in any standard residential option or conditional purchase agreement – and makes no separate allowance. The Council accepts these sites currently exhibit marginal viability. As indicated above and as discussed at the Aligned Core Strategy Examination, there is a degree of flexibility which can be applied to the Affordable Housing proportions adopted for each site, if delivery appears to be compromised. In addition, to help reduce the burden of s.106 payments the Council is responding to concerns raised at consultation by placing the secondary schools for Top Wighay Farm and Gedling Colliery/Chase Farm on the Reg 123 list. The methodology for the CIL Appraisal Results is given in the Viability Report. It is accepted that most viability appraisals are quite sensitive to assumption changes. However in a period of recovery where values are

	guarantees the public access to environmental information and gives them the right to make comments which will be duly considered.. 4.4 Our understanding is that page One, our numbering, shows brownfield sites of higher land value than greenfield. This only makes sense if we are talking about the cost to a developer of buying the land and bringing it into a developable state. The type of site with which we are concerned is dealt with in detail on pages 16 and 19. The detailed analysis for a development of 100 units shows that in a low market zone the margin for CIL on 100 dwellings is only £119500 which we calculate to be around £30000 per hectare. This margin is just 0.75% on the gross figures of £16,494, 858. The slightest shift upwards in costs or downwards in value would remove the margin altogether. If we assume a medium market location, shown on page 19, the margin increases to £448,000 but this is only 3% of gross value and is sensitive to slight changes in value.	rising consistently it is anticipated that viability will improve over the plan period and certainly in terms of the 5 year land supply and therefore imminent delivery.
Savills on behalf of Residential Developer's Consortium	A uniform timescale assumption of 12 months construction appears to have been applied to all scenarios (see page 67 of the vi.ab2 appraisals contained within the heb Land and Value Appraisal Study April 2014). As previously raised this is an inappropriate assumption that reflects a build rate of 83 dwellings per month: Even assuming that three developers are building on site at any one time equates to 17 - 27 dwellings per month. Given that averages sales rates in the Borough are between 2- 3 dwellings pcm, we would anticipate a maximum build rate of 15 dwellings per month (i.e. 5 units per developer). We would therefore advocate that the larger sites will attract higher professional fees on account of enabling works, additional abnormal costs (i.e. remediation, demolition) and the length of the project. We would therefore request that a	This misunderstands the premise of the model in calculating finance charges. The 12 month period for construction (and an additional 6 month sales void) is used to represent a period between construction costs and fees being incurred and sales being achieved i.e. when interest is being accrued for the purpose of reasonably assessing finance costs. It is not intended to represent the actual construction period for a 100 unit housing development, but the period when finance costs are carried between construction commencement and sales income for individual parts of the development which will start at different times over maybe over a 3 year period. The Council considers that the 8% fee allowance is sufficient to reflect the level of professional fee costs that might be anticipated for large scale residential development. Where there are 'abnormal' costs to bring the site up to a

	minimum allowance of **10%** for professional fees be adopted across all scenarios tested to reflect the scale and complexity of the land supply coming forward in Gedling over the plan period.	developable state and fees are associated with mitigation to deal with this, the Council considers that these should be reflected in a land value reduction and therefore no separate allowance is made.
	The minimum acceptable profit margin for the Consortium is a minimum of **20% on GDV blended** across both the private and affordable dwellings. At present, the viability appraisals assume 20% on GDV for the private housing and 6% on cost for the affordable, which equates to a blended rate of approximately 17.5% on GDV. We would therefore ask that an allowance of 20% on GDV is included in the viability testing.	It is considered that a 15-20% developer's profit allowance range on Gross Development Value represents an Industry standard range. A 20% allowance would generally be used in poor economic circumstances where bank lending is cautious and full contingencies are required. As market circumstances improve this allowance will generally reduce towards 15%. The market has improved very significantly in 2014 and improvement is projected to continue to the extent where it could be argued that a 17-18% allowance might be more appropriate. Specific best practice for developers profit allowances is difficult to point to in view of the constant market fluctuations. However the Homes and Communities Agency Development Appraisal Tool (DAT) User Guidance August 2013 states at para 4.3: '*Developers overheads and return for risk'* *A fixed overhead amount plus a percentage of open market capital value (including private rented units). A percentage of affordable housing build costs; as the developer is holding no sales risk then we expect a contract type profit based oncosts. NB: Even if the developer for a particular scheme is a 'not for profit' RP, it still requires a yield to cover the risk of investing, and for any internal funds committed* The example of a DAT Appraisal follows at para 6.1 and indicates appropriate developer returns of 15% on the market housing and 3.7% for the Affordable element.
	The introduction of a Zero Carbon Standard, to be introduced through amendments to the Building Regulations energy performance requirements, is anticipated in 2016. For the purpose of the viability	Policy 1 of the adopted Aligned Core Strategy confirms the expectation that development proposals should comply with national and contribute to local targets on reducing carbon emissions unless it can be demonstrated that

	appraisals, this policy requirement will result in an additional cost for developers and should subsequently be included in the viability appraisals. The Consortium is disappointed to note that the whilst the additional cost of achieving CFSH Level 4 has been assessed, it has not been included in the viability appraisals. We would therefore ask that appropriate allowances are included in the viability appraisals to reflect the cost of CFSH 4 Level 4 and the move towards Zero Carbon It is noted that no allowance for residual "site mitigation" Section 106 and 278 has been included in the GBC Viability Study generic viability testing. Although, the two site specific scenarios testing by heb include £16 Million of S106 Infrastructure contributions at Top wighay Farm at £16k per dwelling and £5.7 Million at Gedling Colliery at £9K per dwelling However, no explanation has been given to determine how these figures were arrived at and in the absence of a Planning Obligations SPD; it is unclear what will continue to be sought through Section 106 agreements. At paragraph 3.7 below, we have set out the list of Section 106 planning obligations that are anticipated by the Council to continue to be sought in line with "site mitigation". Given the length of this list we are concerned that no allowance for residual Section 106 has been included on the generic site testing. The approach taken by heb in assessing the BLVs is complex and does not appear to be directly linked back to the five year land supply. The BLV quoted does not appear to be supported by market evidence and there is no explanation of how these BLVs apply to each of the identified market areas. It is also unclear whether the BLVs are per gross or net developable acre. The Consortium is also concerned	compliance is not viable or feasible. It is considered that there is considerable uncertainty in the progression of sustainable construction standards, in light of the Government's recognition that the additional costs associated with the introduction of CFSH 4 and above may impact significantly on development viability at a time where housing delivery needs to be encouraged. As such it is considered reasonable to use current Building Reg and CFSH Code 3 standards as the basis for the assessment rather than unknown and anticipated future costs as advocated by the consultee. The Council has made a general allowance of £1500 per dwelling for residual s106 contributions based on its historic collection data as advocated by the CIL Guidance. It is acknowledged that the infrastructure costs for new strategic sites will significantly exceed this allowance and therefore specific viability tests have been undertaken to reflect the site specific estimated costs. The Council has set out in detail in it's CIL and s.106 Statement (published at consultation), the items it expects to be paid through the s.106. Disagree with comment. Several sources are listed in the heb report, as set out in earlier comments (above). This includes transactional data and full stakeholder consultation. The two reports mentioned are merely part of the overall data-set and in both cases are the latest publication dates available. Again it should be noted that market land

	that the comparable evidence, gathered by heb, does not appear to be substantiated with robust transaction evidence. Two sources are cited in the Viability Study - The Valuation Office Agency Property Market Report (2011) and the HCA Residential Building Land Report dated (July 2010) – both of which are historic. We would therefore ask that GBC provide further market evidence and commentary to explain, in relation to each market area, which BLV is most appropriate and how this relates back to the land supply coming forward in these areas (i.e. which BLV is most appropriate in each market area). This will ensure that the analysis of the viability appraisals in each area is appropriate given the nature of the sites coming forward for development. Large strategic sites require a significant amount of land to enable them to deliver certain items of on- site infrastructure, such as public open space and educational facilities. Consequently the reduction from gross land area to net developable area can range substantially with reductions ranging from 40 – 60%. Whilst the development density applied to the net site area may be appropriate within the Viability Study, the gross land take is particularly important when comparing the Residual Land Value (RLV) with the Benchmark Land Value (BLV). If the BLV is reported on a per net acre basis, it is therefore important that the RLV is applied to the correct net area. Similarly, if the BLV is on a gross basis then the RLV should be applied to the total (gross) site area. We are also concerned that the Viability Assessment assumes that land to be used for affordable housing is free and does not cost the	sales are used for a secondary "sense check" and not for the primary method of viability testing. See above but also note that is only possible to report and assess the market evidence that exists. The BLV adopted for each property type and each area is clearly set out in the individual appraisals. For the strategic sites, the assessments are deliberately based on a site specific total development residual value calculation (ie the most the site could be worth to the landowner based on the proposed development – with no policy impacts) to avoid issues with net:gross deductions and to set a more accurate Benchmark Land Value allowance. It is considered common practice for any Affordable Housing land required by a planning permission to be deducted from the purchase price paid to the landowner by a residential developer. Purchase

	developer anything. This is simply not true as landowners will not give their land away for nothing.	prices are considered to be based solely on market house plot values in areas where the construction cost of providing an affordable unit exceeds the price paid to the developer by the RSL (ie the land is worth nothing). This situation may differ in high value areas in the south east but is considered a reasonable and robust approach in the East Midlands.
	Sales Evidence gathered by heb is not robust as sale dates are not included within the Residential Sales Evidence shown at Appendix 2. This is confusing as whilst the evidence is shown within the "additional 2014 evidence" – the schedule is not precise in providing what date the properties transacted.	Sales data in the 2013 report comprises information obtained in conversations with house builders in June of 2012. The data reflects the information that the sales offices were willing / able to provide on quoting prices or recent sales at that time. The additional data provided in the 2014 update report contains exhaustive stakeholder market intelligence from 12 developments, provided by the house builders concerned. It demonstrates the sales rates being achieved, at the date of the report (April 2014).
	heb have partly based their evidence on asking prices minus 5%. This technique is dangerous as evidence gathered is not robust and is thus not reflective of market activity. For example, the Sales Values assumed for the Top Wighay Farm viability study are above what is considered to be Market Value.	At the time of the first report, house builder stakeholders typically verified a 5% deduction as being wholly appropriate. Again – valuation judgments can only be based on the evidence available at the time. Anecdotally, many of the house builder contacts currently consider a 5% deduction as "generous" as market conditions improve.
	Finally, average house prices by ward have been included. However these figures date back between 01/01/2011-31/12/2011 which makes the figures historic and not reflective of the existing market conditions. It appears that a comprehensive review of £/m² rates being achieved within Gedling Borough has not been undertaken – therefore the appraisal is not reflective of the residential marketing within the Borough. We believe that sales values included within the viability work undertaken by heb are not reflective of values	The Top Wighay Farm example is disingenuous- "what is considered to be market value" is simply the respondents point of view, not fact. The recent review of market evidence suggests sales prices of £2000+ per SqM at Barratt and Bellway schemes in Hucknall. Heb consulted widely with house builders when producing the adopted sales figures, and are not aware of any dissent as to their appropriateness as a high-medium-low value tone for Gedling. The house price data by ward issue is not relevant. The data represented the year's information immediately preceding the initial appraisal work in 2012. The data was not used in the viability appraisals, simply to assess areas (wards) within the

	being achieved in the market. For example at Top Wighay Farm, the rate of £195 and £200 per sq ft is reflective of superior areas such as Mapperley within the Gedling borough. We have conducted comparable analysis and discovered that new homes by Charles Church at the Manderley development in Mapperley is achieving an average of £205 per sq ft. Taylor Wimpey new homes at Lime Tree Gardens in Mapperley is similarly achieving approximately £200 per sq ft. Both of these locations represent one of the superior parts of the borough. In other areas, Taylor Wimpey new homes at the Brambles development in Calverton are transacting at a sold rate of £175 per sq ft. In Arnold, the new homes by Davidsons at the Stockings Farm development are achieving £174 per sq . We feel that a rate of £175 to £185 per sq ft is reflective of sold house prices for new homes within the borough. Savills and the Consortium are concerned that allowances for significant items of strategic enabling infrastructure and mains services have not been included. Considering the guidance set out in the Harman report, which suggests that a range of £17,000 to £23,000 per dwelling would be appropriate, the Consortium would expect an additional allowance to be made. We would therefore ask that an allowance of £20,000 per dwelling is included in the viability testing for the larger typologies. We have subsequently run alternative appraisals using this residual land value as our baseline position for comparison purposes: The results above highlight the impact that individual inappropriate assumptions can have on the residual land value. When all of these assumptions are combined, in appraisal F, the cumulative impact is significant and will render delivery of such a	borough against each-other for value zoning purposes. As time passes, the average values may change but will move relative to each other – a low value area will remain so, relative to a medium or high value area notwithstanding changes in average prices within. A fully comprehensive review of £/M rates has been carried out, per the 2014 update report contents. The respondent's suggested figures merely verify our own evidence and adopted values. They list a range of sales prices / opinion from £175 per sqft to £205 per sqft. Our adopted figures range from £170 per sqft to £199 per sqft, with a medium figure of £184 per sqft. The Council considers that the enabling costs referred to for opening up strategic sites are a cost attributable to bringing a site into a developable state. Since the land value benchmarking exercise is based on a residual value with planning permission – the value assumes the site is ready to be developed. The type of costs referred to 'create' that starting point land value and therefore no separate allowance is made for them.

	site difficult given that the RLV is below the BLV of £18,583,019.	

Q7 Do you agree that the evidence base supports the introduction of CIL?

Mr Richmond	No
David West	Yes
Andrew Carter	Yes
Ashfield District Council (Neil Oxby)	Yes

Q8 Please use this space to identify any improvements or changes to the evidence base.

Mr Richmond	Need careful case studies	Comment noted and agreed.
Andrew Carter	I understand that the planning department needs to be self funding, so spread the costs evenly on everyone, not just people who live in Ravenshead and other Zone 3 villages..	It is considered the Revised Draft Charging Schedule is supported by appropriate available evidence.
C A Peck	No comment at this time.	
English Heritage (Claire Searson)	English Heritage recognises the importance of Community Infrastructure Levy as a source of funding to deliver the infrastructure required to underpin the sustainable development of Gedling. Paragraph 126 of the National Planning Policy Framework (NPPF) requires that Local planning authorities set out in their Local Plan, a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. In relation to CIL, this means ensuring that the conservation of its heritage assets is taken into account when considering the level of the CIL to be imposed so as to safeguard and encourage appropriate and viable uses for the historic environment. We are therefore encouraging Local Authorities to assert in their Draft Charging Schedules their right to offer CIL relief in exceptional circumstances where development which affects heritage assets and their settings may become unviable it was subject to CIL. We therefore urge you to offer CIL relief where the requirement to pay CIL would have a harmful impact on	The Council may make relief available for “exceptional circumstances” in its area and background information is provided in the supporting document “CIL Exceptional Circumstances Relief 2014”. However, the regulations are clear that relief should only be granted in truly “exceptional circumstances”. The Community Infrastructure Levy and

	significance of heritage assets due to impacts on economic viability of development and hope that this will be reflected when the separate policy document on this is produced. This document could set out the criteria to define exceptional circumstances and provide a clear rationale for their use, including the justification in terms of the public benefit (for example, where CIL relief would enable the restoration of heritage assets identified on English Heritage's Heritage at Risk Register.) For clarity the document could also reiterate the necessary requirements and procedures which would be followed in such cases, including the need for appropriate notification and consultation. We note the separate document 'Community Infrastructure Levy and Section 106 Statement.' While we recognise that table 5 is not exhaustive, it is disappointing that there is no recognition whatsoever here of the developer contributions which can be sought for the historic environment through section 106 agreements. This could include improvements to open space and public realm, possibly linked to a Heritage Lottery Fund scheme and/or green infrastructure work, as well as archaeological investigations, access and interpretation schemes and the restoration of buildings and other heritage assets. Site specific requirements for mitigation etc would also come under this. This would all be in accordance with Policy 11: The Historic Environment within the Core Strategy.	Section 106 Statement supporting document notes in para 5.3 that the list of infrastructure types is not exhaustive. However, an amendment will be made to table 5 to include a reference to Aligned Core Strategy Policy 11 The Historic Environment.
Gedling Borough Council (Brendan Cox)	I did wonder if it was possible to comment on Section 5 of the CIL and Section 106 statement though? I line with our efforts to reduce air pollution levels at various points in the Borough, in particular the A60 Mansfield Road, we have in the past secured s106 funding (Colwick Sainsbury's and Teal Close) for air quality projects. It would be helpful if this could be	It is considered that mitigating air pollution impacts of development would be considered under para 5.1 of the Community Infrastructure Levy and Section 106 Statement. It is not viewed appropriate to provide specific detailed measures as these will need to be considered on a case by case basis.

	perhaps added to the bullet list in Section 5.1… -To assist Air Quality Action Plan projects and generally helping to mitigate air pollution impacts of development. I appreciate that this is perhaps included in the last bullet point of 5.1 as it currently stands, but it would be helpful to have it explicitly stated if possible.	
Ashfield District Council (Neil Oxby)	Gedling Borough Council Community Infrastructure Levy Viability Assessment, June 2014 set out the viability evidence. Ashfield has concerns regarding the evidence base in relation to the appraisal and particularly the dwelling values at the strategic sites at Top Wighay and North of Papplewick Lane, which are located adjacent to the urban edge of Hucknall. It is anticipated that under these circumstances, comparable evidence for Hucknall would be a key element. The National Planning Policy Framework emphasises the importance of cross boundary issues. It was acknowledged at the Aligned Core Strategy Examination that the sites at North of Papplewick Lane and Top Wighay Farm are located on the boundary of Hucknall and will have infrastructure implications for Hucknall. However, there appears to be very limited comparable evidence for Hucknall that is utilised in arriving at the CIL and to justify the sites in question being identified in CIL Rate Zone 3 of the Gedling's Revised Draft Charging Schedule, 2014. The evidence relates to Newstead Village, Arnold, Mapperley, Ravenshead, Gedling and Lambley. Other than Newstead Village (in Zone 1) none of these locations are in close proximity to Hucknall. Evidence from David Wilson Homes at Papplewick Lane, Hucknall is quoted with 'figures of approximately £1,830 per sq m currently achieved on site as a general 'tone'. This is reflective of Values in Zone 1	Recent analysis carried out by NRL of the Barratt Homes development at Merlin Park, Hucknall and the Bellway Homes development at Abbey Fields, Hucknall suggests sales rates of c. £2,018 - £2,099 per sqm. The Council would further contend that Top Wighay Farm is a preferable location, adjoining countryside and thus able to support values at the higher end of the range for Hucknall.

	(1,830 £ per m2 2014 from Appendix 5) rather than Zone 3 (2,150 £ per m2 2014 from Appendix 5). This would indicate that the sites at Top Wighay and North of Papplewick Lane should not be included within CIL Rate Zone 3 of the Gedling's Revised Draft Charging Schedule, 2014. The Council's has had viability work undertaken in Ashfield with the Three Dragons Affordable Housing Viability Study 2009 and the Local Plan & CIL Viability Assessment in December 2013. These studies identify that only a 25% affordable housing rate could be taken forward in Hucknall. Consequently, it is questionable whether a 30% affordable housing can be achieved on the sites at Top Wighay Farm and North of Papplewick Lane. Practical cases would also support that this is not viable in that: • A resolution has been granted on the strategic mixed employment/residential use site (approximately 900 dwellings) at Rolls Royce site in Hucknall. A significant reduction in the affordable housing requirement was negotiated with the developer on the grounds of viability. • Gedling BC has recently passed a resolution to grant planning permission for residential development at Land North of Papplewick Lane (2013/1406). The Committee Report identifies that "Other details supplied by the applicants at this time are listed below: 4. Affordable housing will be provided if feasible and viable." Gedling Borough Council Community Infrastructure Levy Viability Assessment June 2014 in Paragraph 8.3 set out that specific site testing had been undertaken at Gedling Colliery and Top Wighay Farm. "These viability assessments seek to test the impact of the proposed rates on the delivery of two key housing sites in the Core Strategy. The appraisals are included at Appendix 3".	Whilst it is acknowledged that Ashfield District is adjacent to Gedling, the results of viability work undertaken by another Authority cannot be directly compared. The studies have been undertaken at different times and rely on different assumptions on land and sale values, construction costs, affordable housing tenure mix and transfer value.

	Ashfield has a number of concerns regarding the appraisal at Top Wighay Farm. From the site plan in the Aligned Core Strategies Infrastructure Delivery Plan 2013 the total site area of Top Wighay Farm is approximately 44.4 ha. It is not unreasonable to assume from this a net developable area of 33.9ha. However, Ashfield would question, based on the evidence, whether the sale values set out in the appraisal will be achievable under current market conditions. In terms of sales values - Ashfield Local Plan & CIL Viability Assessment December 2013, identified Hucknall as being a high value zone (3) for Ashfield and identified the following: ? Apartment & 2 bed dwelling sales value 1,850 £sqm ? 3 bed, & 4 bed sales value 1,800 £sqm ? 5 bed sales value 1,750 £sqm Based on this approach and assuming that say only a sales value of £2,000 sqm was achieved this would result in a reduction of over £9,000,000 in the market housing value (2100 + 60060 sq m @ 2,000 per sqm).). It would be significantly less if the sales values identified in Hucknall were directly applied to the appraisal. While this would be offset to some degree, for example by the fees and developers return, this would have a substantial impact on the appraisal and is likely to move the scheme into a negative value. In addition to house sales values applied, as was stressed at the Aligned Core Strategy Examination, Ashfield has concern over the viability of Top Wighay Farm. This reflects: • The total dwelling identified for the site - Given that an 8.5 ha employment area forms part of the overall site it is unclear how a total figure of 1,000 dwellings can be achieved on this site. The gross area available for residential development is 35.9 ha (44.4 ha less 8.5ha). Allowing for roads and other general requirement (say 25% of this area) this is likely to result in a net developable area for housing of	The values are in the Ashfield Study were based on mid 2013 data, while the viability work in Gedling was updated in mid 2014 so there is considered to be no direct comparison and speculation on prices that might or might not be achieved is not considered to represent evidence that the proposed CIL rates are unviable or that the proposed level of affordable housing cannot be delivered. The overall density (1000 dwellings on 35,9 Ha) is less than 28 per Ha (inc roads and public open space).

	approximately 27ha. At a general density of 30 dwellings per ha this will result in significantly less dwellings on the site and an issue whether the CIL, affordable housing and S106 Contributions can be met. At the site to the North of Papplewick Lane the ACS Submission document 2012 originally identified 600 dwellings, where as it was recognised at the Aligned Core Strategy Examination that this figure would be significantly lower. • Park & Ride - The Inspector's Report of 24th July 2014 into the Aligned Core Strategy identifies in paragraph 90 that a park and ride site is likely to be required as part of the development. It is not apparent whether this form part of the S106 Transport costs associated with the scheme. Further does the developable site are take into account a park and ride scheme which will impact on the net developable area for housing. • Employment aspect of the development - It was understood at the Aligned Core Strategy Examination that the employment site at Top Wighay would require cross subsidy from the housing development. It is not clear from the Gedling's Community Infrastructure Levy Viability Assessment, June 2014 how this has been taken into account. Appendix Three appears to show a Top Wighay Farm Industrial Viability result which gives a minus figure of -£3,886,993. Applied to total development site at Top Wighay this would result in a negative overall development value. If this is the case, this would mean that affordable housing rates and/or s106 obligations cannot be met. • Infrastructure costs – The viability appraisal assumes no abnormal costs. However, as a greenfield site there are likely to be higher costs than if located in an urban area adjacent to utility services. The Aligned Core Strategy Infrastructure Delivery Plan 2013 identifies that extensive off site water mains may be required. The estimated cost of a primary school at Top Wighay is identified in the IDP on a 1.5ha site	The highway contribution will be agreed as part of the s106 discussions but £8.75m has been allowed for transport costs after consultation with Highways Authority which includes the potential provision of a park and ride facility. The Aligned Core Strategy Examination recognised the difficulties associated with bringing forward the employment site at Top Wighay Farm. The CIL viability assessments indicate employment sites cannot support CIL and for this reason a zero rate has been applied. The Council does not require the employment site to be brought forward at the same time as the residential land but it remains allocated in order to meet the Council's needs and to ensure land is available as and when demand from commercial occupiers arises. LEA provided updated figures for cost of school provision. AG to clarify position with Dawn – left message back in office 15.10.

	as £5-5.5m. This also reflects our own consultations with the Education Authority and is set out in Ashfield's IDP as a typical primary school cost. The current viability assessment identifies £3.5 million cost for a primary school. Can this change be justified? In addition, the Aligned Core Strategy IDP identifies that waste contributions are required of approximately £500,000 which do not appear to be taken into account in the appraisal. Further, as Gedling has made no assessment of the impact on Hucknall's community facilities this is an unknown factor in relation to potential development costs. Through the Aligned Core Strategy Examination Gedling revised costs associated with infrastructure and impacts on viability. It is therefore unclear as to how the level of CIL can be justified for the Top Wighay Farm development.	
Highways Agency (Susan Chambers)	Regarding the above, the Highways Agency (the Agency) welcomes the opportunity to comment on the Community Infrastructure Levy (CIL) Draft Charging Schedule published for consultation by Gedling Borough Council. The Agency notes that the Revised Charging Schedule has been produced in response to the significant changes to the CIL Regulations which came into force in February 2014 and sets out where CIL will be levied and how much will be charged. Given the remit of the Agency, we have no comments on the viability assessment, proposed CIL rates, the charging zones nor the exemptions and reliefs.	No comment.
Gladman Developments (Peter Dutton)	Local planning authorities need to be able to demonstrate the infrastructure need and subsequent funding gap and must ensure that the level of total CIL receipts that could be generated through the levy reflects these true needs and the proposals in the Local Plan. The CIL should not be used by Council's as a mechanism for creating an unrealistic 'wish list' of infrastructure projects in their area. When establishing a funding gap that CIL receipts are intended to contribute towards filling, it is vital that the	The Council has demonstrated a funding gap for required infrastructure and account has been made of possible income streams although it is accepted that further funding opportunities may present themselves in the future.

	council take account of every possible income stream. This has to include an accurate assessment of future New Homes Bonus and council tax and business rates receipts generated as a result of new developments allocated in the Local Plan, as well as central government funding streams. This should also include an assessment of statutory undertakers' asset management plans, as these companies will at some stage be upgrading their systems/facilities. This also needs to be taken account of when assessing the infrastructure requirements of the authority. The Council need to have an up to date, robust evidence base that fully justifies the infrastructure needs based on the amount of development that is required. Information on these infrastructure needs should, wherever possible, be drawn directly from the infrastructure planning that underpins the development plan, as this should identify the quantum and type of infrastructure required to realise local development needs. If the authority's infrastructure planning is weak or out of date then the council should undertake an exercise to refresh this. If the evidence base is not complete, robust and up to date the charging schedule will be unsound and the local planning authority will have difficulty adequately demonstrating their funding gap and the subsequent CIL requirements. The CLG guidance notes that: "Charging authorities should be able to show and explain how their proposed Community Infrastructure Levy rate or rates will contribute towards the implementation of the relevant Plan, and support development across their area. Charging authorities will need to summarise their economic viability evidence. This evidence should be presented in a document (separate from the charging schedule) that shows the potential effects of the proposed levy rate or rates on the economic viability of development across the authority area" (Section 2:2:2:3, CLG Guidance, 2014).	 The Council has recently adopted the Aligned Core Strategy which is supported by an Infrastructure Delivery Plan. Outlined in the Council's supporting document "Viability Assessment".

	It is important that in calculating the level of infrastructure the authority needs as a result of development the council distinguishes between new and existing demands. New houses do not always create new pressure on infrastructure as evidence shows that a large proportion will be occupied by people already living in the borough, attending local schools, and registered with local GP surgeries. They will therefore require less infrastructure provision compared to new residents in the borough. The available guidance makes it clear that CIL is expected to have a positive economic effect on development across an area in the medium to long term. As outlined in recent Inspector's Letters to East Devon District Council (April 2014), the CIL charging rates should not be set at such a level that would threaten development, and must be based on robust evidence and assumptions. The rate will also need to be appropriate over time, bearing in mind land values, market conditions and the wider economic climate change rapidly. The viability impact of incremental policy obligations, such as stepped Code for Sustainable Homes targets, must be assessed and reflected in the charging schedule. The Council needs to ensure that they have a full understanding of the potential costs of infrastructure projects needed to meet the infrastructure needs. Gladman believe that it is inappropriate to set the levy based on a partial understanding of these infrastructure costs and in particular if the total money needed for infrastructure is unknown.	The additional demand on infrastructure has been assessed and advised upon by individual infrastructure providers. The CIL rates have been set at an appropriate level and do not threaten the delivery of development. The Levy has been set at a level well below the identified infrastructure gap. The exact costs of infrastructure are difficult to assess at an early stage and some degree of informed estimation is necessary when forward planning. The costs in the IDP were set at an appropriate level for the Aligned Core Strategy. The income projection forecasts for the Levy are well below the infrastructure funding gap identified and CIL will only fund a small proportion of the Council’s infrastructure needs. The Council therefore considers this an appropriate approach.
Geoffrey Prince Associates Ltd (Geoffrey Prince)	Whilst Langridge Homes Ltd do not object to the principle of the CIL and the proposed Charging Bands, it is somewhat unclear from reading the CIL and the Viability Analysis to understand	GBC has provided a statement setting out how CIL and S106 will work together. The Council has consulted with relevant parties when compiling the IDP to try to

	what the likely level of S106 contributions will be, in addition to the CIL. For the large schemes at Gedling Colliery and at Top Wigway the Viability Analysis includes worked examples with S106 contributions included. It would be helpful to better understand the likely level of S106 contributions particularly for the proposed allocation sites included in your Consultation Draft Options Allocations Plan including proposed residential developments in the Key Settlements and sites adjoining the edge of the built up urban area.	assemble as accurate a forecast as possible. The list will be reviewed as projects develop and funding becomes clearer.
Nottinghamshire County Council (Planning Policy Team) (Eilidh McCallum)	Other than our Highways Department, who will be responding to the consultation directly, the County Council has no comments to make.	No comment.

Q9 Do you agree with the proposed Regulation 123 list?

Mr Richmond	No
David West	Yes
Natural England (Roslyn Deeming)	Yes
Andrew Carter	No
Ashfield District Council (Neil Oxby)	No

Q10 Please use this space to suggest any changes to the Regulation 123 list.

Mr Richmond	Extend to cover education	A review of the R123 list has been undertaken and now includes secondary school provision for Top Wighay Farm and Gedling Colliery/Chase Farm.
Natural England (Roslyn Deeming)	Natural England is not a service provider, nor do we have detailed knowledge of infrastructure requirements of the area concerned. However, we note that the National Planning Policy Framework Para 114 states "Local planning authorities should set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure." We view CIL as playing an important role in delivering such a strategic approach. With the above in mind, we welcome the inclusion of Project 4 which makes provision for mitigation measures associated with the prospective Sherwood Forest SPA, though we note that no acutal costings have been	 After further consideration this project for pSPA mitigation measures has now been removed from the R123 list as it is viewed that it would be appropriate for

	included as yet.	mitigation to be sought through s106 contribution.
Andrew Carter	Because the costings for Arnold Town Centre and Calverton have not yet been worked out or published. It would be like voting for something not yet defined.	After further consideration Arnold Town Centre and Calverton have now been removed from the Reg 123 list.
C A Peck	No comment at this time	
Ashfield District Council (Neil Oxby)	The projects identified in the Revised Draft Charging Schedule June 2014 S123 List are as follows: • Gedling Access Road to facilitate development of Gedling Colliery/Chase Farm - Gap £6,200,000 • Gedling Colliery Country Park, Visitor Centre - £1,000,00 • Arnold Town Centre Improvements, Leisure Centre Extension - no costing • Calverton Mitigation measures associated with prospective Sherwood Forest Special Protection Area - no costing It was Ashfield understanding through the Aligned Core Strategy Examination that CIL Section123 List included secondary school places relating to Top Wighay Farm development but to be provided in Hucknall. This reflected that on viability grounds Top Wighay could not support secondary education contribution and for this reason was incorporated in to the 123 list to be funded by CIL. Throughout the Examination, Ashfield was reassured that Gedling would work closely on cross boundary issues. At no stage has Ashfield been informed that secondary school contributions at Top Wighay are proposed to be taken out of the CIL123 List and how secondary school contributions will be financed in the future. The indication from the Viability Evidence on the consultation is that it will now form part of the S106 Agreement. However, on the basis of the lack of information provided to Ashfield,the absence of an agreed memorandum of understanding for cross boundary working, concern over the affordable housing levels, and issues over viability of Top Wighay Farm, Ashfield objects to the omission of the following project from the 123 List: Top Wighay Farm Project Description: Secondary School Education Estimated Cost: £2,760,000	Following the ACS Examination the CIL Viability assumptions were reviewed and updates from the original assessments in 2011 made. The revised viabilities indicate Top Wighay Farm could support a secondary contribution through S.106 albeit with marginal viability. However, in order to provide further certainty over the delivery of the site the Council agree the Secondary Schools for both Top Wighay Farm and Gedling Colliery/Chase Farm sites should be placed on the Reg 123 list.

Nottinghamshire County Council (David Pick)	The revised draft charging schedule includes a draft Regulation 123 list of schemes dated May 2014. The Regulation 123 list includes details of the Gedling Access Road (GAR) as one of four named infrastructure projects to receive CIL funding and gives the appropriate available evidence at the time of its production i.e. in May 2014, however this information is already out of date. The GAR project cost and funding profile will continue to evolve as the detailed design of the scheme is progressed, as further funding streams and opportunities present themselves and with the appointment of and financial contributions towards GAR from a development partner to deliver the redevelopment of the Gedling colliery/ Chase Farm development for residential and employment uses are secured. The eventual cost of the Gedling Access Road is likely to exceed the forecast estimate of £32.4m (contained in the revised draft charging schedule June 2014) by a significant margin. In which case it will be necessary to review the relative financial contributions of the partners working to deliver this project when more robust cost figures are available and establish how much of the GBC CIL monies will be required to make good any shortfall.	The Council will continue to monitor and review the costs of the access road and agree that additional financial contributions from other parties will need to be confirmed and taken on board. If costs do increase the funding gap for CIL purposes may remain unaltered or reduced if additional sources of funding are identified. As such the current figure is a best estimate.
Highways Agency (Susan Chambers)	The Agency notes that the Revised Draft Charging Schedule also includes a Regulation 123 List. This sets out the infrastructure that will be funded by CIL, including transport improvement schemes. The Agency has reviewed the Regulation 123 list and notes that there are no Strategic Road Network (SRN) schemes in the list, which is as expected, as there is no SRN which routes through the Borough or any specific issues for the SRN related to proposed growth in Gedling.	No comment.
Sport England (Steve Beard)	You may recall that Sport England raised concerns in October 2012, regarding the lack of evidence around the needs for built sports facilities and also playing fields, which would inform the infrastructure delivery plan and the S123 list. Your authority are currently working with Sport England in order to deliver a built sports facilities strategy and it understood that a Playing Pitch Strategy is planned in the not too distant future. We do not wish to make comments on the charging schedule, but feel that it is	 The evidence base is being developed through the Part 2 Local Plan. The Infrastructure Delivery Plan will be updated to inform the Part 2

	imperative to expedite the built sports facilities strategy and PPS in order to inform the infrastructure delivery plan to update the 123 list. This will help to understand if any particular projects should be funded by CIL or S106 (and if so identify the 5 projects which could be used).	Local Plan development sites in due course.
Ken Mafham Associates (Ken Mafham)	6.1 The current round of consultation does not cover the role of the community in deciding how the proceeds of CIL are spent. We suggest this is a matter that needs to be consulted on at the earliest opportunity. We would wish to make further representations on this topic when the occasion arises	Consultation allows for comments on the Reg123 list. In addition the regulations allow for some CIL monies to be spent locally by communities i.e. 25% where a neighbourhood plan exists and 15% where there is no neighbourhood plan. There is no prescribed process for agreeing how the neighbourhood CIL proportions should be spent. Charging authorities are expected to use existing community consultation and engagement processes. The Council will ensure consultation and engagement will take place and such processes address the neighbourhood level.

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Gedling Borough Council

Community Infrastructure Levy

Revised Draft Charging Schedule

Statement of Modifications

January 2015

Introduction

Under the provisions of Regulation 16 of the Regulations, the Borough Council is able to modify the CIL Draft Charging Schedule following publication and consultation. Where changes are proposed the Borough Council is required to produce a statement of modification, inform consultation bodies invited to make representations on the Charging Schedule, and provide an opportunity to request a right to be heard by the examiner in relation to these proposed changes.

Modifications to Revised Draft Charging Schedule

This Statement of Modifications sets out the modifications which have been made to the Borough Council's Revised Draft Charging Schedule since it was published for consultation between 4th July 2014 and 15th August 2014. As reported within the Statement of Representations, the Borough Council received over 120 comments from 22 respondents to the CIL Revised Draft Charging Schedule within the consultation period and an additional comments from three Parish Councils after the conclusion of the consultation period.

There are a number of minor amendments which are set out in the table below. None of the changes make a substantive change to the Revised Draft Charging Schedule.

As required under Regulation 19 a copy of this Statement of Modifications has been published on the Borough Council's website and each of the persons that were invited to make representation under Regulation 15 have been notified. This Statement of Modifications will also be made available at the Borough Council's deposit points throughout the Borough.

Requests to be heard

Any person may request to be heard by the Examiner in relation to the modifications as set out in this Statement of Modifications. Requests to be heard must include details of the modifications on which the person wishes to be heard (by reference to the Statement of Modifications). Additional detail is also sought in relation to whether those requesting to be heard support or oppose the modifications and why. The Borough Council will submit a copy of each request to the Examiner. Requests to be heard may be withdrawn at any time by giving notice in writing to the Borough Council.

Requests to be heard by the Examiner must be made in writing by 5pm on xxxxx

planningpolicy@gedling.gov.uk

Planning Policy

Gedling Borough Council

Civic Centre

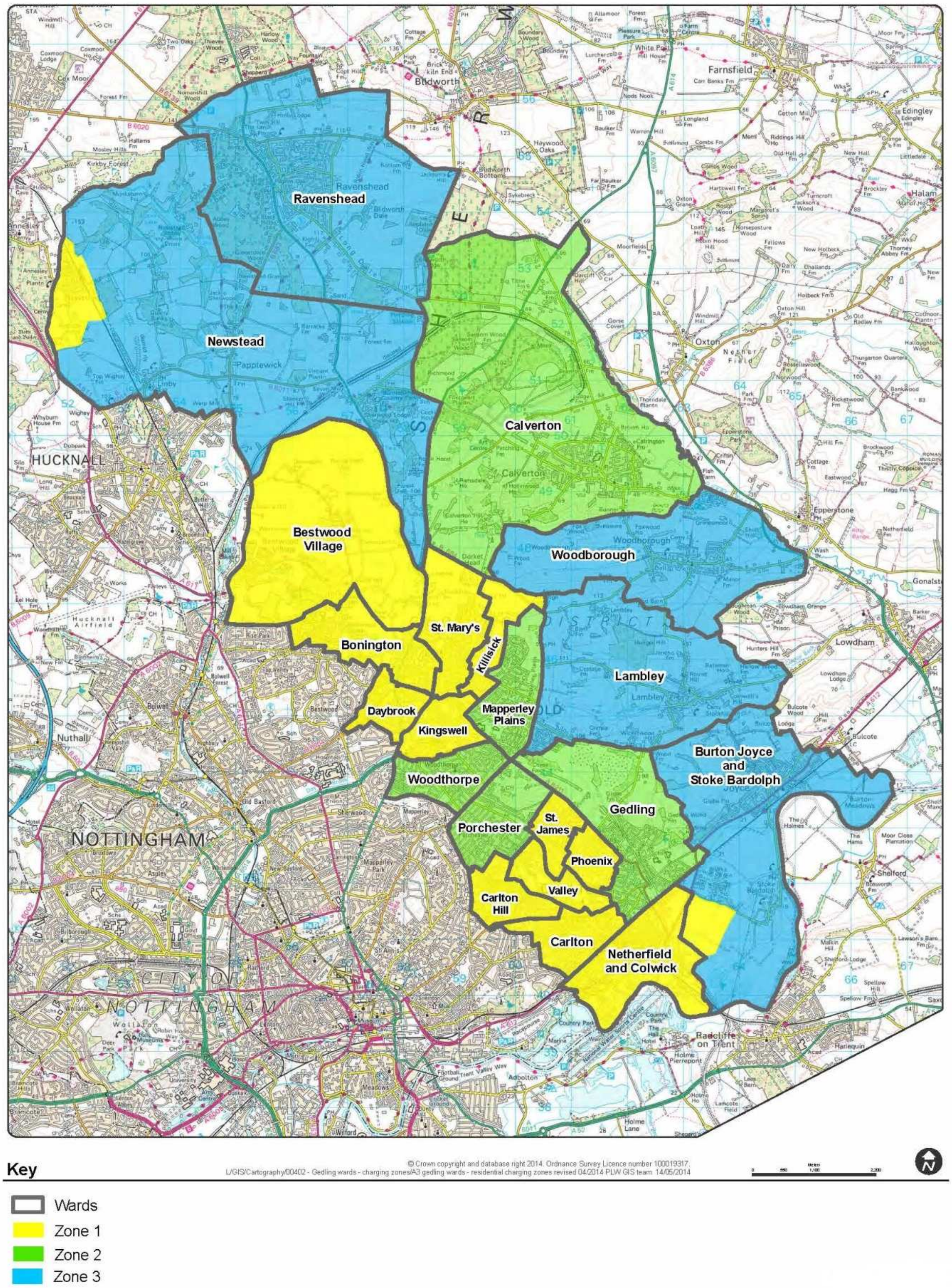
Arnot Hill Park

Arnold

Nottingham NG5 6LU

Reference	Section of Revised Draft Charging Schedule	Minor Modification	Reason
MM1	Residential Charging Map	Minor boundary alteration to Lambley Ward (see attached plan)	For clarity and to reflect the evidence collected for the Revised Draft Charging Schedule.
MM2	Draft Regulation 123 List	Add Secondary School provision at Gedling Colliery / Chase Farm strategic site	In response to concerns raised at the Revised Draft Charging Schedule consultation with regard to marginal viability of the site. Drawing on CIL receipts reduces the s106 contribution on the sites and assists delivery.
MM3	Draft Regulation 123 List	Add Secondary School provision at Top Wighay Farm strategic site	In response to concerns raised at the Revised Draft Charging Schedule consultation with regard to marginal viability of the site. Drawing on CIL receipts reduces the s106 contribution on the sites and assists delivery.
MM3	Draft Regulation 123 List	Remove Arnold Town Centre – Leisure Centre Improvements.	Funding sources and expenditure for this project are not yet determined.
MM4	Draft Regulation 123 List	Remove Calverton pSPA mitigation measures	Funding for this project is not yet determined. Local rather than strategic infrastructure suitable for s106 contribution.

Gedling CIL - Residential Charging Zones



Instalment Model

Chargeable Amount

Less than £15,000

Full payment within 90 days of development commencing

Between £15,000 and £50,000

First instalment (25%) within 90 days
Second instalment (50%) within 270 days
Third instalment (25%) within 360 days

Between £50,000 and £100,000

First instalment (25%) within 90 days
Second instalment (50%) within 360 days
Third instalment (25%) within 540 days

Over £100,000

First instalment (25%) within 90 days
Second instalment (25%) within 270 days
Third instalment (25%) within 540 days
Fourth instalment (25%) within 720 days

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APPENDIX E

INFORMATION PAPER FOR GBC

Following queries raised at the Developers Forum in September in respect of Exceptional Circumstances Relief, the following paper has been prepared as a guide.

EXCEPTIONAL CIRCUMSTANCES RELIEF

A charging authority may grant relief for exceptional circumstances from liability to pay the CIL if it appears to the authority that there are exceptional circumstances which justify doing so and that it considers it expedient to do. However it can only grant relief if it has made relief for exceptional circumstances available in its area; a s 106 agreement has been entered into in respect of the planning permission which connects the chargeable development and the charging authority considers that the cost of complying with s 106 is greater than the charge from the CIL payable; requiring payment of the charge would have an unacceptable impact on the economic viability of development; and granting relief would not constitute a notifiable state aid.

A charging authority which wishes to make exceptional circumstances relief available in its area must issue and publish a statement which gives notice that the relief is available and the date on which it will begin accepting claims for the relief.

A claim for relief must be submitted by an owner of material interest on the appropriate form and must be received by the charging authority before commencing the chargeable development. It must be accompanied by the following:

> an independent assessment of the cost of complying with the planning obligation;
>
> an independent assessment of the economic viability of the chargeable development;
>
> an explanation of why payment of the chargeable amount would have an unacceptable impact on the economic viability; and
>
> where there is more than one material interest in the land, an apportionment assessment.

The charging authority must make its decision on the claim as soon as practicable and inform the claimant in writing of its decision on the amount of relief granted.

The chargeable development can cease to be eligible for exceptional circumstances relief if, before the chargeable development is commenced, charitable or social housing relief is granted, an owner of a material interest makes a material disposal of that interest, or the chargeable development is not commenced within 12 months from the date on which the charging authority issues its decision on the claim.

NOTIFIABLE STATE AID

Four criteria must all be satisfied for aid to constitute state aid:

• Criterion 1: It is granted by the state or through state resources. State resources include public funds administered by the Member State through central, regional, local authorities or other public or private bodies designated or controlled by the State. It includes indirect benefits such as tax exemptions that affect the public budget.

• Criterion 2: It favours certain undertakings or production of certain goods. In other words it provides a selective aid to certain entities engaged in an economic activity (an “undertaking”). Economic activity is the putting of goods or services on a given market. It can include voluntary and non profit-making public or private bodies such as charities or universities when they engage in activities on a market. It includes self-employed/sole traders, but generally not employees as long as the aid does not benefit the employers, private individuals or households.

• Criterion 3: It distorts or threatens to distort competition. It potentially or actually strengthens the position of the recipient in relation to competitors. Almost all selective aid will have potential to distort competition - regardless of the scale of potential distortion or market share of the aid recipient.

• Criterion 4: It affects trade between Member States. This includes potential effects. Most products and services are traded between Member States and therefore aid for almost any selected business or economic activity is capable of affecting trade between States. This applies even if the aided business itself does not directly trade with Member States. The only likely exceptions are single businesses. For example, hairdressers or dry cleaners with a purely local market not close to a Member State border. The case law also demonstrates that even very small amounts of aid can affect trade.

All relief from the levy must be given in accordance with state aid rules. For charitable exemptions, discretionary charitable relief and exceptional circumstances relief this means a collecting or charging authority must determine whether or not giving the exemption or relief constitutes a state aid.

DE MINIMIS BLOCK EXEMPTION

De minimis is a generic term for small amounts of public funding to a single recipient. De minimis funding is exempt from notification requirements because the European Commission considers that such a small amount of aid will have a negligible impact on trade and competition. The current de minimis threshold is set at €200,000 (€100,000 for undertakings active in the road transport sector) over a rolling three fiscal year period. The threshold is gross, applying before the deduction of tax or any other charge. The threshold applies cumulatively to all public assistance received from all sources and not to individual schemes or projects. The block exemption does not apply in certain sectors, including fisheries and coal sector, certain agriculture and transport activities.

Example

A local builder obtains planning consent for 20 houses each of 80m^2 in the highest charge zone, Zone 3. The CIL charge on the development would be calculated as follows:

£95m^2 x 80m^2 x 20 units = £152,000.

€200,000 equates to approximately £162,000, therefore the de minimis rule could be applied and full or partial relief granted (provided the award would not result in the recipient exceeding the prescribed limit).

Follow link to CLG document on Exemptions and Reliefs:

www.communities.gov.uk/documents/.../pdf/19021101.pdf

Gedling Borough Council

Community Infrastructure Levy

Viability Assessment

January 2015

CONTENTS

1.0 Introduction

This document forms part of the evidence base to inform Gedling Borough Council's Draft Charging Schedule as required by Regulation 15 of the CIL Regulations April 2010 (as amended in 2011). One of the key elements of charge setting for CIL purposes is the assessment of the viability of development across a charging area. Regulation 14 requires that an authority strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects that imposing the levy may have upon the economic viability of development.

This report therefore seeks to examine the viability of development across the Borough for differing property types to inform the development of the Council's draft CIL charging schedule in viability terms. This document supersedes the previous version (August 2012) issued with the Preliminary Draft charging Schedule. It has taken into account the latest CIL guidance issued by the Department for communities and Local Government in December 2012.

2.0 Legislative context

The legislation governing the Community Infrastructure Levy is enshrined in the Planning Act 2008 (Part 11, Sec 105-225), the CIL Regulations April 2010 and CIL Amendment Regulations April 2011. The primary statutory guidance into the practicalities of establishing a CIL system is contained in the CIL Guidance April 2013 as amended by CIL (Amendment) Regulations 2014.

The initial stage of preparing a charging schedule focuses on determining the CIL rates. When a charging authority submits its draft charging schedule to the CIL examination, it must provide evidence on economic viability and infrastructure planning (as background documentation for the CIL examination). Charging authorities are required to demonstrate that they have:

- Complied with the requirements under Part 11 of the Act, in particular sec 211(2) and (4) and regulations 13 and 14 governing setting rates. Regulation 14 requires that a charging authority, in setting CIL rates, '*must aim to strike what appears to the charging authority to be an appropriate balance between*' the desirability of funding infrastructure from CIL and '*the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area*'; and
- *Used appropriate available evidence to inform the draft charging schedule*' (sec 212(4)(b)). It is recognised that the available data is unlikely to be fully comprehensive or exhaustive. Charging authorities need to demonstrate that their proposed CIL rate or rates are informed by 'appropriate available' evidence and consistent with that evidence across their area as a whole.

Charging authorities can rely largely on existing published data to prepare the evidence on viability to inform their charging schedule, but they may also want to ensure that their proposed CIL rate (or rates) takes account of recent changes in land values over the last 12 months before they publish a charging schedule (for example by supplementing published data with limited sampling information from recent market transactions), particularly if land values have been significantly falling or rising. The best guarantee that a CIL is set at an appropriate level for practical purposes is a thorough understanding of the local property market and the nature of the sites that are likely to come forward for development. This helps to ensure that any viability assessment is properly grounded in local realities.

A Charging Authority's proposed CIL rate should appear reasonable given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence, for example, if the evidence pointed to setting a charge right at the margins of viability. Charging Authorities should avoid setting a charge right up to the margin of economic viability across the vast majority of sites in their area - 'there is some room for pragmatism'.

3.0 Methodology

There a number of key stages to the CIL Viability Assessment which are set out below.

3.1 Evidence Base

The following studies form the main evidence.

Land and Valuation Study – an area wide evidence base of land and property values for every category of development which has informed the identification of sub market boundaries within Gedling. This study has been prepared by heb a firm of local agents active in the Nottinghamshire property market and is included at Appendix 1

Construction Cost Study – an area wide evidence base of construction costs for each category of development relevant to the Gedling area. This study has been prepared by Gleeds cost consultants and is included at Appendix 2

3.2 Charging Zone Formation

The sub markets identified through the Land and Valuation Study above are then used to form potential CIL charging zones.

3.3 Viability Appraisal

Development viability appraisals are then undertaken for every category of development in the identified charging zones using the residual appraisal model to determine the margin available in each category for CIL contributions.

3.4 Maximum CIL Rates

The final step is the tabulation of the viability appraisals to illustrate the maximum rates of CIL that may be levied without threatening the economic viability of the development.

3.5 Appraisal Model

The appraisal model is illustrated by the diagram opposite. In essence this is a relatively straightforward equation where the value of a completed development is equal to the costs that are incurred in bringing that development forward.

The completed development value is assessed according to the sales values of the various elements of the scheme. These values are determined by reference to the property market conditions at that particular time. In residential development appraisals the proportion and mix of affordable housing applied to the scheme will also need to be factored into the model.

Completed Development Value
equals
Fixed Development Costs Construction + Fees + Finance+ Developer's Profit
plus
Variable Development Costs Land + Planning Contributions (inc S106 and CIL)

The fixed elements on the cost side of the equation are the construction costs, fees, interest and developer's profit. The interest rate will be set by the lending organisation and developer's profit is normally a minimum percentage return on gross development value. Whilst fixed costs can alter over the period of a development but there are common industry standards which are adopted which provide some degree of certainty. The variable cost elements are the cost of land and the amount of developer contributions CIL and planning obligations) sought by the local authority.

Economic viability for the purposes of CIL calculations is assessed according to an industry standard Residual Valuation Model. The model firstly calculates development value and then subtracts the land value and the fixed development costs to determine the margin available for policy based contributions (S.106, CIL etc). In determining the amount available for CIL it is important to establish a realistic land value i.e. one that reflects the reasonable contribution expectations of a local authority but which provides sufficient return to persuade landowners to release sites for development.

3.6 Land Value

The land value which an owner is prepared to accept will be dependent on a number of factors including the owners tax position, whether there is a need to sell, the price paid originally etc. It follows that different owners could expect a different figure for the same piece of land. The approach to assessing the land element of the gross residual value is therefore the key to the robustness of any viability appraisal. There is no single method of establishing threshold land values for the purpose of viability assessment for CIL but the NPPF and emerging best practice guidance does provide a clear steer on the appropriate approach.

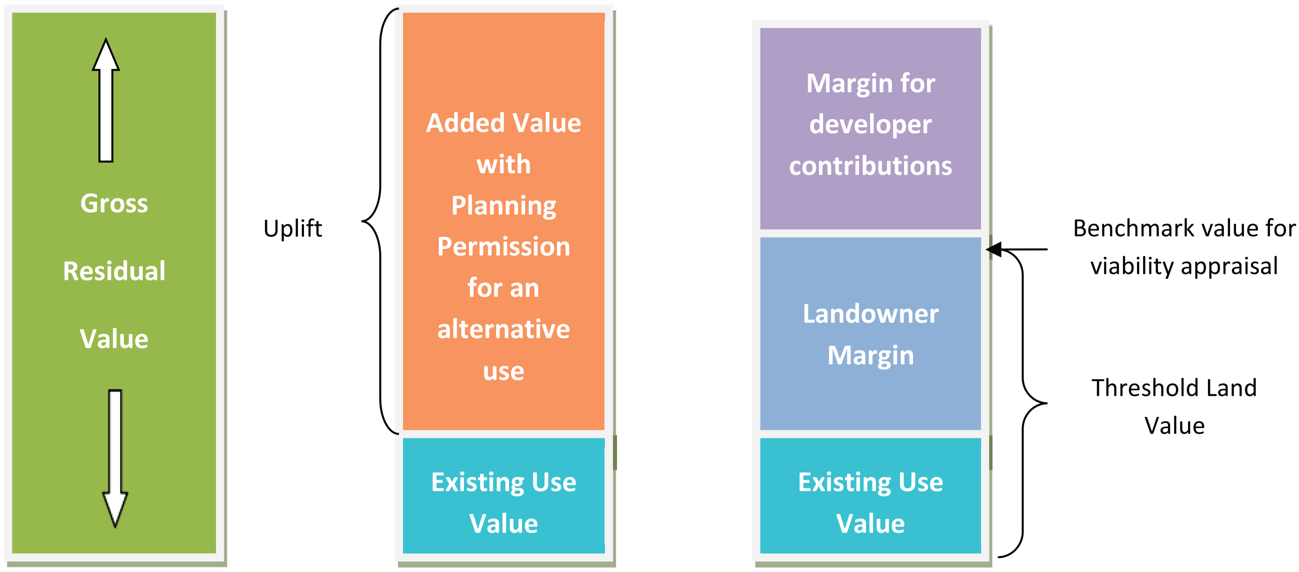
The first step is to establish gross residual value this is value of the completed development minus both the fixed and variable development costs outlined above.

Development Value	−	Development Costs (including profit)	=	Gross Residual Value

The assessment of land value is further complicated by the fact that the gross residual value of the land is made up of its existing use value (EUV) and the added value (or uplift) which results from the grant of planning permission for an alternative use (after deducting a reasonable allowance for costs including profit). It is clear that the purchaser will not pay over the whole of the residual value to the land owner but there will be a threshold value below which the land owner will not sell. The purchaser will want to retain a proportion of the uplift in value to cover the local authority's expectation of contributions towards infrastructure and affordable housing.

3.7 Land Value Benchmarking

The diagram below illustrates the principles involved in establishing a robust benchmark for land value. The EUV will generally be assessed by reference to comparable sales evidence for the type of land being assessed (e.g. agricultural value for greenfield sites or industrial value for a brownfield site). The appropriate benchmark value will therefore lie somewhere between the EUV and the Gross Residual Value with planning consent. This can vary considerably depending on the category of development being assessed.



The key part of this process is establishing the point on this scale that balances a reasonable return to the landowner beyond existing use value and a reasonable margin to allow for infrastructure and affordable housing contributions to the Local Authority.

Benchmarking is an approach which the Homes and Communities Agency refer to in 'Investment and Planning Obligations: Responding to the Downturn'. This guide states: "*a viable development will support a residual land value at a level sufficiently above the site's existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner*".

The NPPF has introduced a more stringent focus on viability in planning considerations. In particular paragraph 173 states:-

"To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable"

The NPPF recognises that, in assessing viability, unless a realistic return is allowed to a landowner to incentivise release of land, development sites are not going to be released and growth will be stifled. The Local Housing Delivery Group guidance 'Viability Testing Local Plans' states :-

"Another key feature of a model and its assumptions that requires early discussion will be the Threshold Land Value that is used to determine the viability of a type of site. This Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development, before payment of taxes (such as capital gains tax)".

Different approaches to Threshold Land Value are currently used within models, including consideration of:

- *Current use value with or without a premium.*
- *Apportioned percentages of uplift from current use value to residual value.*
- *Proportion of the development value.*
- *Comparison with other similar sites (market value).*

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values. The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell".

We have given careful consideration to how the Threshold Land Value (i.e. the premium over existing use value) should be established.

We have concluded that adopting a fixed % over existing value is inappropriate because the premium is tied solely to existing value – which will often be very low - rather than balancing the reasonable return aspirations of the landowner to pursue a return based on alternative use as required by the NPPF. Landowners are generally aware of what their land is worth with the benefit of planning permission. Therefore a fixed % uplift over existing use value will not generally be reflective of market conditions and may not be a realistic method of establishing threshold land value.

We believe that the uplift in value resulting from planning permission should effectively be shared between the landowner (as a reasonable return to incentivise the release of land) and the Local Authority (as a margin to enable infrastructure and affordable housing contributions). The % share of the uplift will vary dependent on the particular approach of each Authority but based on our experience the landowner will expect a minimum of 50% of the uplift in order for sites to be released. Generally, if a landowner believes the Local Authority is gaining greater benefit than he is, he is unlikely to release the site and will wait for a change in planning policy. We therefore consider that a 50:50 split is a reasonable benchmark and will generate base land values that are fair to both landowners and the Local Authority.

The Wokingham Appeal Decision (APP/X0360/A/12/2179141) in January 2013 has provided clear support for this approach to establishing a 'reasonable return the landowner' under the requirements of the NPPF. The case revolved around the level of affordable housing and developer contributions that could be reasonably required and in turn the decision hinged on the land value allowed to the applicant as a 'reasonable return' to incentivise release of the site. The Inspector held that the appropriate approach to establishing the benchmark or threshold land value would be to split the uplift in value resulting from planning permission for the Alternative Use - 50:50 between landowner and the community.

The Threshold Land Value is established as follows:

Existing Use Value + % Share Of Uplift from Planning Permission = Threshold Land Value

The resultant threshold values are then checked against market comparable evidence of land transactions in the Authority's area by our valuation team to ensure they are realistic. We believe this is a robust approach which is demonstrably fair to landowners and more importantly an approach which has been accepted at CIL and Local Plan Examinations where we have presented evidence.

Worked Examples – a) Fixed percentage over EUV **versus** b) EUV + percentage share in uplift with planning permission

A landowner owns a 1 Hectare field at the edge of a settlement. The land is proposed to be allocated for residential development. Agricultural value is £20,000 per Ha. Residential land is being sold in this area for £1,000,000 per Ha. For the purposes of CIL viability assessment what should this Greenfield site be valued at?

a) Using a fixed percentage over EUV the land would be valued at £24,000 (£20,000 + 20%)
b) Using EUV + percentage share of uplift in value the land would be valued at £510,000 (£20,000 + 50% of the uplift between£20,000 and £1,000,000) – realising a market return for the landowner but reserving a substantial proportion of the uplift for infrastructure contribution i.e. £490,000).

3.8 Existing Use Land Value Benchmarks

In order to represent the likely range of benchmark scenarios that might emerge in the plan period for the appraisal alternative threshold land value scenarios are tested. A greenfield scenario represents the best case for developer contributions as it results in the highest uplift in value resulting from planning permission. The greenfield existing use is based on agricultural value. The median brownfield position recognises that existing commercial sites will have an established value. The existing use value is based on a low value brownfield use (industrial).

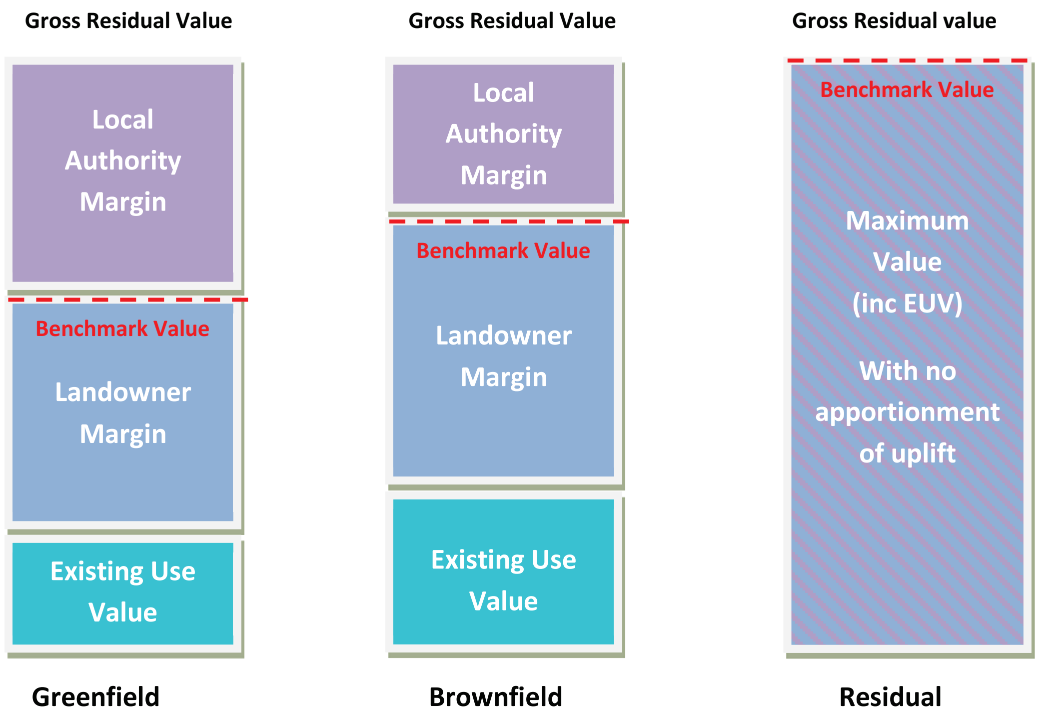
The viability testing firstly assesses the gross residual value (the maximum potential value of land based on total development value less development cost with no allowance for affordable housing, CIL, sec 106 contributions or planning policy cost impacts). This is then used to apportion the share of the potential uplift in value to the greenfield and brownfield benchmarks. This is considered to represent a reasonable scope of land value scenarios in that change from a high value use (e.g. retail) to a low value use (e.g. industrial) is unlikely.
In CIL appraisal work, as a reality check, the viability appraisals are also undertaken based on market comparable evidence of actual land transactions in the relevant use category. Actual market evidence will not always be available for all categories of development; the valuation team make

reasoned assumptions. It is not recommended that these results are used as the basis for setting CIL rates or Affordable Housing targets since the market transaction land values may not necessarily reflect proper allowance for planning policy impacts – particularly where a policy that has a direct 'land taxation' impact (like CIL) has not previously been in existence.

Residential	
Benchmark 1 Greenfield	Agricultural – Residential
Benchmark 2 Brownfield	Industrial – Residential
Benchmark 3 Market Comparable	Based on transactional evidence where available (CIL Appraisal only)
Commercial	
Benchmark 1 Greenfield	Agricultural – Proposed Use (Maximum CIL Potential)
Benchmark 2 Brownfield	Industrial – Proposed Use
Benchmark 3 Market Comparable	Based on transactional evidence where available (CIL Appraisal only)

The viability study normally assumes that affordable housing land has no value because development costs generally exceed affordable housing sales value. In very high value areas adjustments are made to this assumption to reflect affordable housing land value as appropriate.

The diagram below illustrates the concept of Benchmark Land Value. The level of existing use value is illustrated by the turquoise shading. The uplift in value from existing use value to proposed use value is illustrated by the blue and mauve shading. The blue shading represents the proportion of the uplift allowed to the landowner for profit. The mauve shading represents the allowance of the uplift for developer contributions to the Local Authority. The Residual Value assumes maximum value with planning permission with no allowance for planning policy cost impacts. This benchmark is used solely to generate the brownfield and greenfield threshold values.



Whilst brownfield land evaluation with a higher benchmark land value will necessarily indicate that less margin exists for policy cost impacts, the 'Market Comparable' land values will normally represent the highest land value assumptions of the three assessed benchmarks. This is because in this instance no allowance can be made for the introduction of the new policy that is being assessed which, once adopted, will have a subsequent impact on value.

3.9 Residual Valuation and development appraisal

One issue with the Gross Residual Value approach outlined above does not factor in the finance cost of land – which will be the element of development cost that is incurred up front and carry finance costs through the entire development process. The omission of this finance cost could potentially give a false picture of development viability.

The viability assessments therefore adopt a development appraisal approach rather than a residual land value approach. A bespoke model is used which specifically assesses the economic viability of development. This model factors in land value (threshold land value as discussed in the previous section) as a key element of development cost. In this way the finance charges for all elements of development cost are properly assessed including land.

The model is based on standard development appraisal methodology, comparing development value to development cost. The model factors in a reasonable return for the landowner with the established threshold value; a reasonable profit return to the developer and the assessed cost impacts of proposed planning policies in order to determine whether a positive or negative residual output is produced. Provided the margin is positive (i.e. zero or above) then the development being assessed is deemed viable. The principles of the model are illustrated below.

Development Value **(Based on floor area)** **E.g. 200 sq m x 1,100/sq m**	**£2,200,000**
Development Costs	
Land Value	£400,000
Construction Costs	£870,000
Abnormal Construction Costs (optional)	£100,000
Professional Fees (% costs)	£90,000
Legal Fees (% value)	£30,000
Statutory Fees (% costs)	£30,000
Sales & Marketing Fees (% value)	£40,000
Contingencies (% costs)	£50,000
Section 106 Contributions/Policy Impact Cost assumptions	£90,000
Finance Costs (% costs)	£100,000
Developer's Profit (% Return on GDV)	£350,000
Total Costs	**£2,150,000**
Results	
Viability Margin	**£50,000**
Potential CIL Rate (CIL Appraisal only)	**£25 /sq m**

Given that development occurs on a range of land types, a series of different development scenarios have been tested for both residential and commercial development throughout the Borough. For example residential development could occur on: a greenfield site in agricultural use; a brownfield site in a variety of existing uses (industrial, office etc) or an existing residential site. Consequently the base land value adopted in the appraisals alters according to the assumed existing use and future use for each scenario. The evidence for the land values adopted is set out in the heb Valuation Report (Refer to the CIL Documents Evidence Base).

4. 0 Development Categories

For each use type a range of typical development scenarios have been selected for Gedling as follows

4.1 Residential

- 100 unit housing scheme with a range of unit types
- 40 unit starter housing scheme with a range of unit types
- 25 unit low rise apartment block
- 25 unit executive housing scheme
- Single Plot development

Each type of development has then been tested for viability according to its location (refer to the development zone maps below), and the existing use of the land. Three types of existing land use have been tested:

- Greenfield
- Brownfield
- Existing Residential

4.2 Commercial

• Industrial	B1b B1c B2 B8	Factory Unit
• Office	B1a	Office Building
• Food Retail	A1	Supermarket
• General Retail	A1 A2 A3 A4 A5	Roadside Retail Unit
• Hotels	C1	Care Facility
• Residential Institutions	C2	Mid Range Hotel
• Community	D1	Community Centre
• Leisure	D2	Shell Unit
• Agricultural		Farm Store
• Sui Generis		Vehicle Repairs
• Sui Generis		Vehicle Sales

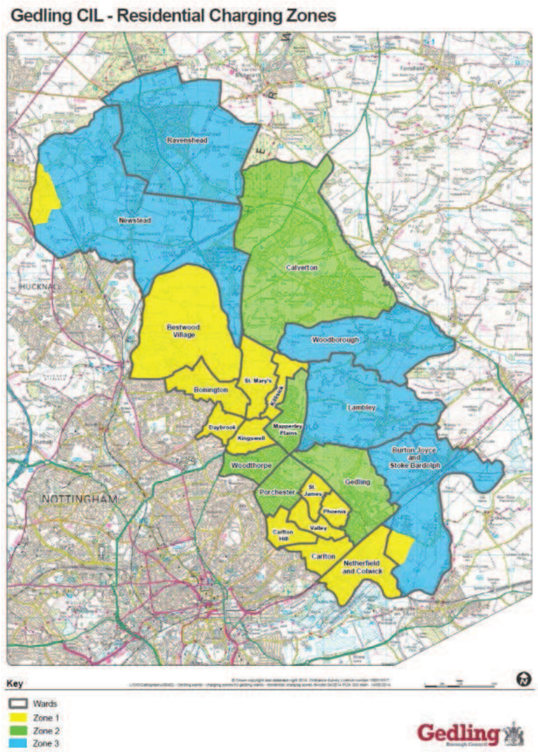
Again each type of development has been tested for viability according to its location and the existing use of the land. In respect of the commercial development, the types of existing land use tested are dependent upon the use category but include greenfield to the proposed use; industrial to the proposed use; and development as existing.

4.3 Zones

The valuation study undertaken by heb considered evidence of residential and commercial land and property values across the Borough. The valuation study concluded that any variations in the value of commercial locations in the Borough are not significant enough to warrant a differential charging zone approach to commercial CIL rates. Gedling has therefore opted not to apply different geographical value zones for commercial property. The initial appraisal identified only marginal differences between the Urban / Rural zones initially tested, and the subsequent viability tests demonstrated that most commercial uses were unviable even before CIL imposition. More importantly, it has not been possible to identify a series of geographically "convenient" market data deals for all categories to clearly demonstrate where a zone boundary should be drawn. Any boundary would inevitably be based on an arbitrary "best guess" basis. Accordingly the valuation figures are stated for a fair area wide tone, at a level which would not threaten development overall.

With regard to residential development evidence was however gathered which indicates the presence of some geographical differentiation in levels of value throughout the Borough. The existence of sub markets therefore indicates that differential CIL rates are appropriate for the Borough. The sub markets have been collated in zones of value as described below and delineated using ward boundaries.

Three residential test zones were identified: Zone 1, which relates mainly to existing built up areas or areas of lower value associated with former mining activity; Zone 2, an intermediate zone and Zone 3 which exhibits the highest values in the more affluent, rural areas of the Borough. The zone boundaries are shown marked on the map below and discussed in greater detail in the heb Valuation Report.



It should be noted that the sub-market areas represent an overview of property values and there will be distinctions within many of the Wards.

5.0 Affordable Housing

The residential viability tests assume that there will be a requirement to provide affordable housing on each site. The Borough Council's Supplementary Planning Document on Affordable

Housing published in 2009 indicates a requirement for a proportion of affordable housing on all new developments of 15 or more properties. The proportion is set at 10%, 20% or 30% in different parts of the Borough. The treatment of the affordable housing in the assessment model adopts the same approach by reference to the sub market areas as defined in the residential zone map above.

The split required will generally be 70% rent (either social rent or Affordable Rent) and 30% intermediate housing, as defined in the glossary to the National Planning Policy Framework. The mix of affordable unit types has been apportioned to reflect the need for affordable family and starter homes.

It is assumed that the affordable housing will be sold by a developer to an RSL and that there would a discount of 60% from market value for the social rented accommodation and a 30% discount for the intermediate rented housing. No land value has been attributed to the plots as the development costs exceed the sales values.

For each of the assessed schemes it is assumed that no Social Housing Grant would be offered in support of the development of the affordable housing.

The table summarises the affordable housing assumptions used in the residential viabilities.

Table 1: Affordable Housing Assumptions

Affordable Housing				
Sub Market Area	Proportion %	Tenure Mix %		
		Intermediate	Social Rent	Affordable Rent
1 Low	10%	30%	20%	50%
2 Medium	20%	30%	20%	50%
3 High	30%	30%	20%	50%
% Open Market Values		70%	40%	50%

6.0 Developer Contributions

As indicated above the residual viability appraisals produce a figure which represents the amount available for CIL plus any other planning obligations and therefore have made no allowance for S.106 contributions. The level at which the CIL is set i.e. the proportion of the margin adopted can thus reflect the Borough's preference for dealing with developers contributions. A high levy will result in most of the money being collected through the CIL for identified projects whilst a lower level allows for specific top-up contributions on a case by case basis.

7.0 Model Assumptions

7.1 Density and Development Mix

Residential – Residential densities can vary significantly dependent on the house type mix and location. To avoid using generalised assumptions the model generates land values for a number of different development scenarios using plot values per house type. These plot values are derived by dividing the appropriate land value by the house type density. The plot values allow for standard open space requirements per hectare. The house type densities and development scenarios used in the model are set out below:

Apartments	70 units per hectare
2 bed house	50 units per hectare
3 bed house	40 units per hectare
4 bed house	25 units per hectare

5 bed house	20 units per hectare

Mixed Residential Development	100 units
Starter Housing	40 units
Apartment Block	25 low rise units
Executive Housing	25 units
Single Dwelling	1 unit

Commercial – For the commercial development appraisals the following development scenarios have been modelled:

Table 2: Development Scenarios

Development Type	Use Class	Sq m	Plot Ratio	Scenario
Industrial	B1b B1c B2 B8	1000	2:1	Factory Unit
Office	B1a	2000	2:1	Office Building
Food Retail	A1	3000	3:1	Supermarket
General Retail	A 1 A2 A3 A4 A5	300	1.5:1	Roadside Retail Unit
Hotels	C1	3000	2:1	Mid Range Hotel
Residential Inst	C2	4000	1.5:1	Care Facility
Community	D1	200	1.5:1	Community Centre
Leisure	D2	2500	3:1	Shell Unit
Agricultural		500	2:1	Farm shop
Sui Generis	Vehicle Repairs	300	2:1	Car Repair Garage
	Vehicle Sales	500	2:1	Car Showroom

7.2 Sales/Rental Values

As previously referred to, local agents, heb have undertaken a survey of land and property values throughout the Borough and the results of this survey are included in the heb Valuation Report. The survey looks at the following:

Residential (C3) - Land values per hectare, land values per plot, and sales values per house type. The plot approach to residential land values avoids anomalies which can be produced with density assumptions in residential developments.

Commercial - Land values per hectare, gross development values per sq metre in the following categories:

Industrial (B1b B1c B2 B8)
Office (B1a)
Food Retail (A1)
General Retail (A1 A2 A3 A4 A5)
Residential Institution (C2)
Hotel (C1)
Community (D1)
Leisure (D2)
Agricultural
Sui Generis

Commercial valuations are based on rental values and yields. The capital value is derived by multiplying the rental by the appropriate yield for the subject property. Yields for different types of property vary substantially depending on the confidence a purchaser has in the safety of the rental income which in turn is based on the covenant strength of the occupier and the location and quality of the building.

The land and sales values have been tabulated by grouping the data gathered across the Borough into appropriate value clusters. This information has then informed the Charging Zones as discussed above. The resulting tables of both residential and commercial land values are presented below.

Table 3: Gedling Residential Values

	Value £/M^2		
	Zone 1	Zone 2	Zone 3
Apartment	1,750	1,935	2,095
2 bed	1,830	1,990	2,150
3 bed	1,830	1,990	2,150
4 bed	1,830	1,990	2,150
5 bed	1,830	1,990	2,150
	Value £/ Ha		
Land	1.27m	1.38m	1.5m

Table 4: Gedling Commercial Values

		'Market' Land Value/ha	Residual Land Value/m^2	Sales Value/ m^2
Industrial B1b B1c B2 B8		430,000	Neg	700
Office B1a		430,000	Neg	1,350
Food Retail A1		3,700,000	4,478,843	2,750
Other Retail A1 A2 A3 A4		1,500,000	2,102,016	1,700
Residential Institutions C2		430,000	Neg	1,266
Hotels C1		865,000	Neg	2,500
Institutional & Community		430,000	Neg	1,077
Leisure D2		600,000	67,245	1,350
Agricultural		15,000	N/A	323
Sui Generis	Vehicle	430.000	Neg	700
	Vehicle Sales	850.000	Neg	1100

7.3 Construction Costs

The CIL evidence base includes a bespoke construction cost survey provided by Gleeds Cost Consultants. The survey uses information gathered from the Company's nationwide database specifically relevant to the Borough. Base date for the costs is the 2nd Quarter 2012.

All costs are based on new build on a cleared site and include an allowance for external works, drainage, servicing, preliminaries and contractor's overheads and profit.

Demolition, abnormal costs and off site works are excluded. Viability assessment is generic test and it would be unrealistic to make assumptions around average abnormal costs. It is considered better to bear the potential for unknown costs in mind when setting CIL rates and not fix rates at the absolute margins of viability.

The summary table of costs from the survey report is provided overleaf.

Table 5: Gedling Development Costs

Development Type	Construction Cost £/M^2		
	Min	Max	Median
Standard Residential (Mass housebuilder, mid range 2-5 bed hse)	690	1,062	870
Residential, 2-5 bed code 4	800	1,075	970
Low Rise Apartments	840	1,242	1,020
Low Rise Apartments, code 4	835	1,240	1,165
Care Homes	900	1,265	1,145
General Retail, shell finish	720	1,030	890
Food Retail Supermarket, shell finish	450	830	740
Hotels 2,000m^2,3 star inc. fixtures & fittings	1,610	1,850	1,700
Industrial, Offices, Cat A fit-out*	920	1,370	1,125
Industrial, general shell finish	410	743	480
Institutional, Community D7(museums, libraries, public halls, conference)	1,460	2,590	1,950
Leisure D5 (shell only)**	820	1,040	900
Agricultural shells	180	775	452
Sui Generis			
Vehicle Repairs	805	945	880
Vehicle Showrooms	1,080	1,260	1,210

* Industrial /Offices, Cat A are based on speculative office development of a cost effective design

** Leisure D5 development is based on shell buildings and excludes tenant fit-out.

7.4 Other Assumptions

	Residential	Commercial	
Professional fees	8%	8%	Construction Cost
Legal fees	0.5%	0.5%	GDV
Statutory fees	1.1%	0.6%	Construction Cost
Sales/marketing costs	2.0%	1.0%	Value of market units
Contingencies	5.0%	5.0%	Construction Cost
Interest	6.0%	6.0%	12mths
Arrangement fee	1.0%	1.0%	Cost
Development profit	20%	17.5%	GDV
Construction	12mths	12mths	
Sales Void	6mths	3mths	

7.5 Developer's Profit

Developer's profit is generally a fixed percentage return on gross development value or return on the costs of development to reflect the developer's risk. In current market conditions and based on the minimum lending conditions of the financial institutions, a 20% return on GDV is used for the residential viability appraisals to reflect speculative risk. A 17.5% return is applied to the commercial development in recognition that most development will be pre-let or pre-sold attracting a reduced level of risk.

7.6 Planning Obligation Contributions & Planning Policy Impacts

CIL once adopted represents the first slice of tax on development. In Gedling it is proposed to use CIL for specific large infrastructure items and use Section 106 for local site specific contributions. The CIL Guidance 2013 indicates that, in the event that an authority does not intend to replace planning obligation contributions completely with CIL, then the charging authority should demonstrate that the development plan is deliverable by funding infrastructure through a mix of CIL and planning obligation contributions.

The planning obligation contributions from 2006 to 2013 have been analysed and this demonstrates that where planning obligations have been charged an average of £2,700 per dwelling has been charged for residential development. Only one charge is shown for commercial development in this period on a retail unit at a rate of £32 per sq m. It is likely that CIL will replace part of the funding requirement in future. A view has therefore been taken that flat rate figures of £1,500 per dwelling and £20 per sq m for commercial should be adopted in the appraisals to safeguard the viability position of future development.

The plan has been reviewed by Gedling and it is considered that there are no other planning policy cost impacts that need to be factored into appraisal beyond the affordable housing assumptions set out earlier in this document.

8.0 Appraisal Results

The appraisal results reflect current market conditions and will need to be kept under review by the Council so that any future improvements in the market can be fed through to make positive adjustments in the CIL Levy.

The results of the viability testing for both residential and commercial development are summarised in the tables on the following pages. The individual residual appraisals which underpin these tables form part of the CIL Documents Evidence Base and can be downloaded by going to CIL Section of the Gedling Borough website.

Each category of development produces a greenfield and brownfield result in each test area. These results reflect the benchmark land value scenarios. The first result assumes greenfield development which generally reflects the highest uplift in value from current use and will therefore produce the highest potential CIL rate. The second result assumes that the development will emerge from low value brownfield land. As explained in the land value assumptions section above, the market comparable results are provided as a sense check. They rely on a full allowance for land value that is not necessarily reflective of a reasonable return to the landowner that acknowledges the policy impacts and the reasonable developer contribution assumptions of the local authority.

It should be acknowledged that the CIL rates that have emerged from the study are the maximum potential rates, based on optimum development conditions. The viability tests are necessarily generic and do not factor in site abnormal costs that may be encountered on many development sites. The tests produce maximum contributions for infrastructure and therefore the final CIL charges adopted may need to allow for additional unforeseen costs and site specific abnormal costs.

8.1 Residential

The ability of residential schemes to provide CIL contributions varies markedly depending on the type of development, the geographical location and existing use of the site. The results are illustrated based on the Council's affordable housing targets of 10%, 20% and 30% for Zones 1, 2 and 3 respectively. It should be noted that the apartment block results negatively skew the overall median rate as they present a considerably less viable position when compared with the other development scenarios. The relative importance of this type of development to the Borough has therefore been taking into account when setting the charge rates.

Table 6: Residential Viability Test Results

Charging Zone /Base Land Value Category	£/m²					
	Mixed Residential	Starter Housing	Apartment Block	Executive Housing	Single Dwelling	Average Rate
Zone 1						
Greenfield	£91	£39	-£227	£120	£126	£30
Industrial	£14	-£34	-£265	£39	£50	-£39
Market Comparable	-£168	-£205	-£361	-£152	-£131	-£203
Zone 2						
Greenfield	£137	£88	-£135	£163	£174	£85
Brownfield	£58	£16	-£174	£82	£95	£15
Market Comparable	-£94	-£124	-£255	-£79	-£73	-£125
Zone 3						
Greenfield	£194	£152	-£40	£218	£231	£151
Brownfield	£115	£80	-£79	£137	£152	£81
Market Comparable	-£11	-£36	-£147	£8	£27	-£32

8.2 Commercial

Table 7: Commercial Viability Test Results

Development Type & Base Land Value Category	£/m²
Industrial B1b B1c B2 B8	
Greenfield	-£65
Brownfield	-£110
Market Comparable	-£110
Office Use B1a	
Greenfield	-£479
Brownfield	-£517
Market Comparable	-£517
Food Retail A1	
Greenfield	£571
Brownfield	£501
Market Comparable	£78
General Retail A1 A2 A3 A4 A5	
Greenfield	£130
Brownfield	£96
Market Comparable	£58
Residential Institution C2	
Greenfield	-£551
Brownfield	-£581
Market Comparable	-£581

Development Type and Base Land Value Category	£/m^2
Hotel C1	
Greenfield	£430
Brownfield	£469
Market Comparable	-£511
Community D1	
Greenfield	-£1488
Brownfield	-£1522
Market Comparable	-£1522
Leisure D2	
Greenfield	-£92
Brownfield	-£163
Market Comparable	-£192
Agricultural	
Greenfield/Agricultural	-£288
Sui Generis	
Vehicle Repairs	-£727
Vehicle Sales	-£580

As indicated above, in the majority of cases the commercial development appraisals generated negative residual values; the only exceptions being the retail scenarios. Food Retail in both the urban and rural zones of the Borough produces positive residuals for all land uses whereas general retail is only viable in the urban locations.

8.3 Site Specific Testing

The legislation (Section 211 (7A) as inserted by the Localism Act 2011) requires that a charging authority uses 'appropriate available evidence' to inform their draft charging schedule. The above viability tests have drawn on such evidence however the recent guidance also recognises the need to focus on strategic sites on which the relevant plan relies and also sites where the impact of the levy on economic viability is likely to be most significant.

Whilst a wide range of site types has already been tested using greenfield and brownfield scenarios; in order to comply with the guidance and in response to comments raised at consultation, a viability modelling exercise has been undertaken on two strategic sites in the Borough. These viability assessments seek to test the impact of the proposed rates on the delivery of two key housing sites in the Core Strategy. The appraisals are included at Appendix 3.

The sites are:

Zone 2 Medium Value Gedling Colliery (600 units)
The delivery of the Gedling Colliery site has been a long term development aspiration for the Borough Council. A Highways Authority requirement to provide an access road to service the development has delayed the site coming forward due to the significant costs involved.

Zone 3 High Value Top Wighay Farm (1,000 units)
Top Wighay Farm is a significant strategic site for the Borough and it is anticipated that an application will be granted permission before April 2015. However, should permission be delayed and the site become liable for CIL, it is important to test for any changes in the viability position and hence the ability to deliver.

These sites are larger than those sampled in the original appraisal work. Viability calculations have been undertaken taking into account planning obligations determined relevant to each site for the preparation of Core Strategy evidence. The affordable tenure mix has been changed to aid deliverability thus reflecting the specific nature of the sites i.e. high Section 106 costs compared with those expected /sought at non strategic sites. However the affordable housing percentages have been maintained at 20% and 30% respectively.

The results are set out in the table below.

Table 8: Site Specific Appraisal Results

SITE		£	Viability position
Gedling Colliery			**£8,014**
S106	Primary Education	**3,500,000**	
	Secondary Education	**1,689,000**	
	Health	**570,000**	
	CIL	**45/ sq m**	
Top Wighay Farm			**£386,113**
S106	Primary Education	**3,500,000**	
	Secondary Education	**2,816,000**	
	Health	**950,000**	
	Transport	**8,750,000**	
	CIL	**70/ sq m**	

9.0 Conclusions in respect of CIL Rates

9.1 Rationale

As the weight of CIL examination evidence has built up it has become widely accepted that CIL rates do not necessarily have to be determined solely by viability, rather that they should be consistent with and not contrary to this evidence.

The Regulations require that authorities are required to strike 'an appropriate balance' between the need to raise revenue to fund infrastructure delivery to enable sustainable development and the economic viability of development.

In light of this the following issues have been taken into account in setting the CIL rates.
Viability testing cannot take into account exceptional circumstances and there will always be examples of sites within a zone which throw up residual values contrary to the model results. Hence it is inevitable that there will be some developments which may not come forward as a result of a charge. This in itself does not mean that a charge is unreasonable or will hinder development in a particular zone.

Prior to establishing the margin available for CIL and Section 106 payments, an allowance has been made for affordable housing contributions. The allowance varies dependent on the zone but is intended to allay concerns that a CIL levy would remove the ability of development to support affordable housing.

CIL charges are not set at the maximum level indicated by the viability assessments. This leaves a margin to allow for market fluctuations and site specific viability issues.

Finally and most significantly, the threshold land value calculation provides for the landowner to receive a realistic proportion of any uplift in value due the change of use. This is considered a pro-development stance as the residual values produced are felt to be more reflective of market conditions. Residual land values which are based on existing use value plus a proportion of hope value will produce better viability margins but leave landlords with little room for negotiation or indeed incentive to dispose of their land.

Residential

As with all zones, the viability appraisals indicate greenfield to residential is the most viable form of development in Zone 1. However little development is expected to come forward on greenfield land in this zone and therefore a charge in Zone 1 could hinder developments on vacant brownfield sites or residential sites. A zero charge is therefore recommended in Zone 1.

Zones 2 and 3 show more positive viability results. For Zone 2 the maximum CIL chargeable is £174 per square metre for a single dwelling. However a more typical development scenario is likely to be a mixed residential development on greenfield land which illustrates a maximum CIL charge of £137 per square metre. For Zone 3, the highest value zone, these figures are £231 per square metre and £194 per square metre respectively.

At the PDCS stage a proposed rate of £55 per square metre for Zone 2 was put forward as providing a reasonable buffer compared with the maximum rates. All housing scenarios on greenfield land produce results above the suggested CIL charges except for the apartment block type. A similar position is found in Zone 3 where a rate of £95 was suggested with maximum rates for greenfield development again in excess of this for all development types except apartments.

The DCS was first consulted on in Autumn 2013and following consultation and the site specific testing it was considered that a reduction in the proposed rates to provide a greater viability buffer would help to safeguard the economic position of the Borough and encourage identified strategic sites to come forward. It was therefore proposed to reduce the Residential CIL levels to £45 per square metre for Zone 2 and £70 per square metre for Zone 3.

Since this time the Aligned Core Strategy has been presented for public examination where the deliverability of the Borough's strategic housing sites came under close scrutiny. If CIL is to be introduced it is clear infrastructure will need to be delivered through a combination of Section 106 and CIL. If too much burden is placed on delivery via CIL in the early years there is a danger sites will not come forward. This, alongside realistic drafting of the Regulation 123 list, will provide a clear strategic infrastructure delivery strategy which does not threaten new development in the Borough.

Given this background it was deemed prudent to review the viabilities to reflect both the changes in the market since they were first undertaken and the latest evidence in respect of the costs of bringing forward the strategic sites. The updated evidence supports the rates put forward in 2013 and they remain at Zone 1 £0/sq m; Zone 2 £45/sq m and Zone 3 £70/sq m.

Commercial

As illustrated above the viability model results indicate that the potential for commercial schemes to generate positive residual values in the current market is extremely limited. The only exception is retail development which is discussed in more detail below.

Food Retail – in contrast to all other types of commercial development, food retail generates high positive residual values in both the Urban and Rural Zones. The question is whether it would be within the CIL Regulations to make a differentiation between General Retail and Food Retail for charging purposes. Most authorities who have put forward differing retail rates have sought to use size as the defining factor between uses. Regulation 13 of the 2010 Regulations states that a charging authority may set differential rates for different zones and for different uses, but makes no mention of different rates being set for different sizes of development. Any cut off point in terms of the step up to a higher rate will often be quite arbitrary. Whilst there seems to be agreement that there is a difference in viability between supermarkets and other retail uses, translating this into a difference in use via the Regulations is the issue. A number of charging schedules have already been adopted with differential retail rates in them, but a challenge by Sainsbury's to the Poole DCS highlights the contentious nature of this issue. Amendments to the Regulations are required to clarify this point and to prevent potential ultra vires claims when, for instance, a supermarket is asked to pay a higher levy. Given the uncertainty of the situation it is proposed that no specific levy is charged for food retail and that a single retail levy therefore applies as discussed below. This decision will be kept under review pending any changes to the Regulations.

General Retail – this category generates positive residual land values for all existing use benchmark schemes in the Urban Zone and neutral or negative residual values in the Rural Zone. A charge of £60 has therefore been suggested for the Urban Zone with a £0 charge in the Rural Zone. Whilst it is noted the £60 charge would be at the maximum for existing retail development, it is considered that new development coming forward in the Urban Zone is most likely to involve a change of use or be contained on an existing site where credit will be given for existing space and hence no charge would be levied.

9.2 Suggested CIL Rates

A summary of suggested CIL rates is provided in the table below. As discussed above, the rates build in a substantial discount from the maximum rates chargeable for each use/ zone.

Table 9: Suggested CIL Rates for Gedling

Development Type			
Residential	Zone 1	Zone 2	Zone 3
	£0/m^2	£45/m^2	£70/m^2
Commercial	**Borough wide**		
Retail A1, A2, A3, A4, A5	**£60/m^2**		
All other uses	**£0/m^2**		

Appendix 1

Land Valuation Study
Heb Chartered Surveyors

COMMUNITY INFRASTRUCTURE LEVY

LAND & VALUE APPRAISAL STUDY

SUPPLEMENTARY REPORT
2014 UPDATE

FOR AND ON BEHALF OF
GEDLING BOROUGH COUNCIL

Gedling Borough Council

REPORT PREPARED BY
heb CHARTERED SURVEYORS
17 THE ROPEWALK
NOTTINGHAM
NG1 5DU

RICS

Royal Institution of Chartered Surveyors
Registered Valuers

15 April 2014

heb chartered surveyors

CONTENTS

TERMS OF REFERENCE

This report should be read in conjunction with our initial Land Value Appraisal Study dated 15 June 2012, and our Land Value Appraisal Study, Supplementary Report, dated 7th February 2013

This report acts as an update to the previous reports, with regard to the time elapsed since the initial study was produced. We are specifically instructed to update our opinion of land and property sales values, with reference to changes in the market since 2012.

This report contains appropriate additional comment and evidence, and should be read in conjunction with the previous related documents.

Previous relevant market evidence has been re-produced herewith for ease of reference, along with new market evidence, available since the previous report.

We have consulted again with developers, house builders and agents active in the local market to establish new market data, stakeholder sentiment and any changes therein since the previous reports. Consultees have included the the majority of house builders currently or recently active in the Borough including: Ian Jowitt of **Willmark Homes** (Regency Heights and Chartwell Grange, Mapperley); John Fletcher of **Langridge Homes** (two sites in Calverton); John Hickman at **Morris Homes** (Newstead Grange); Gareth Hankin of **Persimmon Homes** (Jasmine Gardens, Newstead Rd) and **Charles Church** (Manderlay, Mapperley); Andrew Galloway (Land and Planning specialist, **Savills**); David Stutting at **Taylor Wimpey** (Mapperley and Calverton); Tom Roberts at **Barratt Homes** (Highlands development, Arnold); Paul Robinson at **Strata Homes**, Simon Maddison at **Bellway Homes** (The Point, Arnold); Gareth Staff at **Redrow Homes** and previously at **David Wilson Homes** (Papplewick Green, Hucknall), Dale Fixter at **City Estates** and **Northern Trust** (both major land holders in the Borough).

We are grateful to all consultees for their time and engagement.

For simplicity we have only published additional commentary and data for those charging categories where it is proposed that a CIL charge will be imposed, once viability testing has demonstrated an appropriate margin for CIL exists without unduly threatening development within that category.

This report does not contain further evidence or comment for those property categories where a CIL charge is *not* proposed however the evidence obtained during the assessment process for those categories remains available on our files for discussion, if required.

It should also be noted that the evidence listed within this report is not *exhaustive*. Further evidence is held on file however for the sake of brevity and simplicity we have published herein what we consider to be most relevant and appropriate evidence with regards to demonstrating that suitable value assessments were made during the viability testing process.

CHARGEABLE DEVELOPMENT CATEGORIES

1) Residential (C3-Houses and Apartments)

Establishing Value Zones.

In establishing our proposed charging zones an initial survey of house prices per sq m was carried out throughout the Borough using new house sales as this is relevant to CIL, as opposed to second hand stock. We used the existing ward boundaries as these are well established an easy to administer. Whilst evidence was not available in each ward we used our local knowledge to group similar wards together. When quoting prices were used we made a discount to reflect the likely achieved price, in most cases the sales offices would verify this as being appropriate.

Once this data was analysed, noticeable groupings of similar value levels were identifiable to produce our initial 3 test zone areas. The validity of these zones and boundaries was further verified through analysis of average house price data from the Land Registry during the period 01/01/2011 – 31/12/2011. The data was filtered into wards and when ascribed to a ward based map similar value zones were confirmed, which broadly matched our initial tests.

We do not consider any changes necessary to these Zones since they were initially adopted. Any changes in market conditions that have occurred since 2012 can be applied “pro-rata” across all zones, meaning that zone boundaries will remain valid.

Land registry average house price data for the Gedling area extends to some 1500 transactions, and a summary of the data is attached at Appendix 3.

General sentiment from consultees was that the zones as outlined provide a generally fair representation of Gedling sub-markets.

Although average house prices by area provide a robust indication of area value groupings, we do not rely upon this information when assessing ‘as built’ rates per sq m. New build property generally commands a premium over and above average prices. Furthermore average price data tables do not provide any indication of the quality or condition of sample property, nor size/ value specified in terms of “per sq m”. New build valuation methodology is outlined later in this report.

SECTOR SPECIFIC VALUATION COMMENTARY

Base Land Values

1) Residential C3 (houses and apartments)

When assessing an appropriate tone for residential development land values, our starting point was to carry out a residual land appraisal whereby a typical development scenario was appraised. In simplified terms this was achieved by assessing the 'end' property value (total projected value of sales), then deducting from this figure the cost of construction, including professional fees, finance and other standard costs of development.

The resultant figure is the maximum price which may be available for land acquisition, which in turn determines likely aspirational market values.

As a starting point for viability testing, this residual appraisal was carried out *without* deduction for Affordable Housing, Section 106 contributions or any other Local Authority policy based contributions, to give an indication of the theoretical 'maximum' possible land value which could be appropriate in the study area, before any impact of planning policy.

The residual approach is more thoroughly outlined within the 'Development Equation' section of the CIL Viability Testing report.

Once the residual land value figure has been calculated it is assessed along with other sources of land value information. Qualified property valuers' reasoned assumptions and judgement is applied to the market information that is available to produce a second, "sense checked" land value which is both fair and realistic in current market conditions and not simply academic exercise to produce a theoretical land value which may not bear scrutiny when compared against current market activity.

This pragmatic approach balances the reasonable expectation of land owners' return with the contributions expected by a Local Authority for infrastructure needs generated by new development, as advocated by the National Planning Policy Framework.

We believe this approach better reflects the realities of the property market and is therefore compliant with the best practice guidance in 'Viability Testing Local Plans' (LHDG 2012) and "Financial Viability in Planning" RICS 2012.

In this respect we have provided two land values – the residuals and separate figures which states our opinion as RICS Registered Valuers of a realistic land value from the market comparison approach.

A summary of both figures is at Appendix 5.

This methodology is replicated for all property use types, with a “minimum” land value (typically based on market value figure) adopted for uses where the residual suggests a negative value or one below market value. It is a fact of real market activity that sites are purchased when a residual may suggest a negative value. Buyers often “over-pay” for a variety of reasons – the market does not function perfectly with the benefit of perfect information, developers may be optimistic in a rising market, or special purchaser / ransom situations. A specific development type may show a negative residual value, but the fact of competition from other possible uses will ensure a minimum level is achieved.

Furthermore, a self-builder will not need to demonstrate a developer’s profit. Accordingly market evidence can on occasion suggest a figure above residual levels, which is sensible and pragmatic to adopt.

The value data contained within this report has been adopted in the NCS Viability Study for the location, and thereafter subjected to “Benchmarking” to establish a minimum allowance for land that represents a “reasonable return for the landowner”, as required by the NPPF.

In greenfield development scenarios, this is quite straightforward in that the benchmark is established by considering the existing ‘greenfield’ use value – generally taken to be agricultural land value.

The benchmark for brownfield land is more complex. It assumes that land has some form of established use and therefore value (which will be much higher than an undeveloped greenfield plot). The range of established brownfield land values is obviously quite wide dependent on location and use. However for the purpose of viability appraisal it must be assumed that the land has a low value or redundant use that makes it available for alternative use. Industrial land value is therefore generally used as a relatively low value use that might be brought forward for more lucrative alternative development (often residential use).

Where a residual appraisal demonstrates negative or marginal land values (usually due to low market sale values), it is accepted that all land must have a basic value and a reasonable base value will be allocated by the valuer. This may often be the market value of the land based on comparable evidence.

In this respect we can confirm that our residential *residual* land value figures for the study area are calculated at:-

Zone 1	Zone 2	Zone 3
£1,128,595	£1,509,813	£1,891,031

Other sources of land value information included published data tables, for example the **Valuation Office Agency Property Market Report 2011** (latest available version) which confirms traded land values within the Nottingham area averaging £1.2M per hectare.

The July 2010 **HCA Residential Building Land Report** data tables (most recent version) confirm a range for the Nottingham area of between £1.2M to £1.4M per hectare, dropping to £600,000 to £710,000 for the Mansfield area.

Our own market research identified the following land transactions:–

- Valley Road, Carlton 0.05 hectares £ 600,000 p/hectare
- Deep Furrow Avenue, Carlton 0.09 hectares £1,888,889 p/hectare
- Stokes Lane, Gedling 0.07 hectares £1,728,571 p/hectare
- Main Street, Lowdham 0.01 hectares £1,420,000 p/hectare
- Knights Close, Top Valley 0.23 hectares £ 652,174 p/hectare

General comment from Consultees (listed in Terms of Reference) was that residential land values in Gedling have a range in the region of **£1.2M to £1.5M** per hectare as a fair "tone" depending on location specifics- this could potentially drop as low as £620,000 per hectare in less sought-after locations.

General sentiment confirmed that the land values adopted for each charging zone were reasonable and fair. Bellway were able to confirm a value of **£1.236m** Ha paid in 2010 for a strategic site in Arnold, and c. **£1m Ha** for 5 hectares at Broomhill Farm Hucknall (Zone 1 border) in 2012. HEB have recently agreed terms for the sale of a 7 acre site in nearby Beeston at c. **£1.4m** Ha. Taylor Wimpey confirmed a purchase price of c. **£910,000** per Ha in 2013 (net, including affordable housing allowance) for an 8 acre site in Calverton and also c. **£1.9m** Ha for Lime Tree Gardens in Mapperley (10 acres net)

A common comment from Consultees was that although recent market improvement has shown an increase in house sales prices, this has not yet translated to noticeable increases in land values.

When considering the above factors we believe that our resultant adopted “market” land values are a fair and appropriate tone for the Borough as a whole and the proposed value zones in current market conditions.

New Build Residential Values per sq m

The Community Infrastructure Levy is applied to proposed and future *new build* housing within the Borough.

It therefore follows that the methodology used to determine the CIL rates is applied to real evidence collated from the existing new homes market wherever possible. An extensive survey of this market was conducted within the Borough.

Wherever possible we have attempted to favour ‘new build’ evidence since this generally attracts a premium over and above existing stock, and more particularly Land Registry house price average figures where the results may be skewed by an unknown condition and where no reference is available to the type and size of the constituent properties.

Generally, new home developments are predominantly built by larger volume developers and tend to offer relatively uniform size style and specification across any geographical area. It also follows that the majority of proposed developments that will attract CIL will constitute similar construction and styles.

We were unable to identify what we would consider to be sufficient fine-grained market data to break values down further to provide specific differentials depending on bedroom number per dwelling. Any adjustment would have inevitable been based on an arbitrary judgment. Our revised reported figures therefore simply reflects an appropriate tone for “apartments” and “houses” .

Market research was therefore focused on the above criteria by identifying new home developments where possible in the Borough or surrounding comparable locations, that were under construction or recently completed. Data for individual house types on these developments was analysed and sale prices achieved obtained from house builders or Land Registry Data.

Additional supporting information was gathered on each development using asking prices with a reduction made according to negotiated discounts as provided by the developer, local estate agents, contacts and professional judgement / assessment of the results. Where new home data was found lacking, nearly new transactions and asking prices were analysed and adapted.

During our recent discussions with the house builder consultees active in Gedling (as listed in Terms of reference) it was typically suggested that new build values of between **£170** to **£185** to **£210** per sq ft **(£1830 - £1991 - £2261per sq m)** could be considered appropriate and fair tones across the zones, dependant on location specifics and house type.

For ease of reference, the figures adopted at the time of our *previous* report were as follows:-

	Apartment	2 bed	3 bed	4 bed	5 bed	
Zone 1	1700	1750	1750	1800	1800	
Zone 2	1850	1900	1900	1950	1950	
Zone 3	2000	2050	2050	2100	2100	*(£/sq m, 2012 HEB Report figures.)*

By way of a "sense check", we have established that there has been an increase in house prices in the East Midlands region of **6.72 %,** from the 2012 report to Q1 2014 (Source: Nationwide House Price Index).

If this multiplier is applied to the 2012 reported figures, then the following revised figures *could* be seen as appropriate and justifiable:-

	Apartment	2 bed	3 bed	4 bed	5 bed	
Zone 1	1814	1868	1868	1921	1921	
Zone 2	1974	2028	2028	2081	2081	
Zone 3	2134	2188	2188	2241	2241	*(£/sq m, after HP Index applied at 6.72%)*

Notwithstanding these figures, we have taken a more pragmatic and conservative approach with our adopted values.

From our own market knowledge we are aware that the House Price Index for the East Midlands *as a whole* may be slightly misleading, and will be influenced by proportionately higher increases in more sought-after areas than Gedling.

We do not doubt that there *has* been improvement in the Gedling area, a sentiment generally echoed by house builder consultees.

A combination of restricted supply combined with the effects of the "Help to Buy" policy, ongoing low interest rates and general improvement in the economy has translated to a marked increase in market activity.

A common comment from consultees however was that the recent improvement in market activity has translated into an increase in viewings and sales, but not necessarily *large* increases in sales values yet. More typically incentives and quoting price reductions have fallen. For this reason we have not increased our adopted values to the same extent as the house price index would allow.

A summary of previous and new evidence considered is appended at Appendix 2, with our updated indicative sales values at Appendix 5.

2) Food Retail (Supermarkets) and General Retail (A1, A2, A3, A4 & A5)

Our initial report made a separate assessment of Food Retail (supermarket) use, as distinguished from other retail categories. Gedling Borough has elected to simplify their charging schedule by applying a single retail rate, across a single commercial zone.
Accordingly the Gedling charging rate is one which reflects all retail categories (without unduly threatening development).

Although a single retail category has been adopted, our methodology includes an appraisal of both food retail use (supermarket) and general retail, to provide a likely “maximum – minimum” range for the category.

We have identified and appended some more recent market evidence, however we do not consider there to have been changes of significance since the 2012 report (across *all* commercial categories). Our recommended indicative Commercial, remain largely unchanged since the previous report.

The general retail assessment was based on a roadside/neighbourhood centre style development which we consider to be the most likely form of retail development to come forward within the Borough. ‘High Street’ retail is well established within the Borough and unlikely to see entirely new development in future since High Street areas are seldom developed from new. In the event of High Street redevelopment occurring, the existing floor area would be deducted from any CIL contribution and accordingly CIL impact minimised.

Where possible we have focused on transactional evidence from within Gedling Borough, or close by. Notwithstanding this, some evidence has been assessed from other locations. This is justifiable under the ‘appropriate available evidence’ guidance.

In the case of food store retail, value is primarily driven by the availability of an appropriate planning consent, which in turn triggers a competitive bidding situation. This combined with a ‘uniform’ product retailing at similar rates across any given region has a ‘levelling’ effect which produces similar values on a region wide basis and to some extent nationwide basis. Similarly, a likely tenant for roadside retail/neighbourhood centres will typically operate a standard acquisition value policy, where a relatively uniform rate is offered as a maximum rent/price payable irrespective of precise location specifics (as long as minimum demographic and traffic / footfall requirements are met)

Our most relevant comparable evidence is listed at Appendix 4, although we would again state that this is not an exhaustive list of the evidence obtained. Further evidence is held on file.

The retail evidence attached shows an appropriate value range for Gedling Borough, but also demonstrates similar value trends being appropriate regionally and nationally.

Our adopted test values for retail use are considered conservative, being towards the lower end of the spectrum.

NOTE: For reasons of pragmatism, Gedling have decided not to apply different geographical value zones for commercial property. The initial appraisal identified only marginal differences between the Urban / Rural zones initially tested, and the subsequent viability tests demonstrated that most commercial uses were unviable even before CIL imposition.
More importantly, it has not been possible to identify a series of geographically “convenient” market data deals for all categories to clearly demonstrate where a zone boundary should be drawn.

Accordingly our valuation figure is stated for a fair area wide tone, at a level which would not threaten development overall.

CONCLUSIONS

1) Having reviewed and updated the market evidence and stakeholder engagement, we remain confident that the Property Value Evidence Base complies with, and in our opinion *exceeds* what is reasonably required under the 'appropriate available evidence' CIL guidance definition.

2) We consider the values reported herein to be a fair assessment of market value which realistically reflects current indicative "tone" values in each of the development categories.

3) Value information provided within this report comprises what we consider to be the most pertinent evidence and Consultee 'sentiment'. It is not exhaustive, and additional evidence is held on file for both the chargeable and non-chargeable development categories. All additional evidence can be made available for inspection and will also be available for discussion if required at Public Examination.

4) Having revisited the proposed charging zone boundaries we can confirm that the boundaries (at Appendix 1) are fair, justifiable and robust.

5) heb Chartered Surveyors are RICS Registered Valuers, based locally and with extensive experience in providing agency and valuation services in and around the Gedling Borough area.

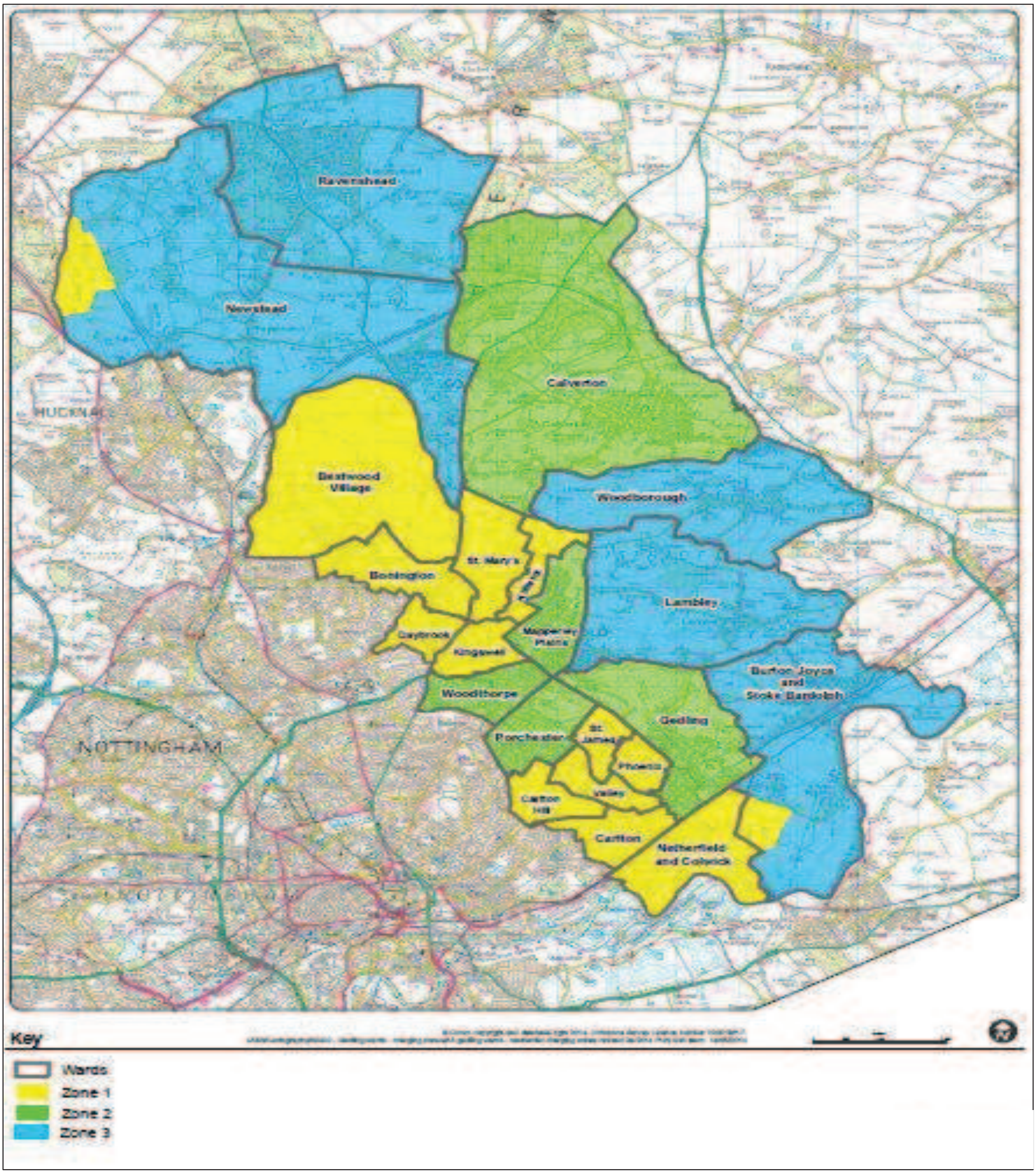
Yours faithfully

heb

heb Chartered Surveyors

APPENDIX 1
CHARGING ZONE MAP

RESIDENTIAL



APPENDIX 2

RESIDENTIAL SALES EVIDENCE

ADDITIONAL 2014 EVIDENCE

Property / Development	Developer	Value Information	Notes
Papplewick Green, Hucknall	David Wilson Homes	Consultee confirms figures of approximately **£1,830 per sq m** currently achieved on site as a general 'tone'	Location borders study area, comparable to zone 1.
The Point, Arnold	Bellway Homes	Developer has confirmed 28 private sales this year, with typical sales prices ranging from **£1,780 per sq m to £2,153 per sq m**. Generally in this location they would anticipate sales rates of **£180 to £190 per sq ft**, say **£1,940 to £2,045 per sq m**. In 2013, 2 bed flats achieved approximately **£1,950 to £2,070 per sq m**, 3 bed starter homes ranged from **£1,860 per sq m** with 4 bed detached houses achieving approximately **£1,800 to £1,900 per sq m.**	Zone 1 location.
Park Mews, Mapperley	Bellway Homes	The Consultee has also confirmed that the (now completed) mews development in Mapperley (zone 2/3) generally achieved **£2,115 per sq m** for flats, **£2,100 to £2,300 per sq m** for 3 bed starter homes & **£1,870 to £1,950 per sq m** for 4 bed detached homes.	Zone 2 (bordering zone 3)
Highlands, Arnold	Barratt Homes	Barratt have confirmed indicative sales values ranging from **£172 to £200 per sq ft (£1,852 to £2,1053 per sq m).**	Zone 1. Barratt also have a development at Wigwam Lane, Hucknall with our experience similar values – perhaps say 5% less.
The Brambles	Taylor Wimpey	Developer has confirmed 2 bed flats / maisonettes achieving **£1,960 per sq m**, with houses achieving say **£1,750 to £2,196 per sq m.**	Zone 2
Lime Tree Gardens, Mapperley	Taylor Wimpey	Developer has confirmed extremely buoyant sales with values generally between **£1,830 to £2,261 per sq m.** Recent indicative sales have been at **£1,991 per sq m & £2,153 per sq m** for 3 bed end terrace, £2,002 for 5 bed detached & **£2,271 per sq m** for 4 bed detached.	Zone 2 / 3 borders.

Jasmin Gardens, Newstead Road, Annesley	Persimmon Homes	Developer confirms sales general market improvement with discounts producing but sales still sluggish. Generally achieving sales figures in the region of **£1,830 per sq m.**	Study area borders, equivalent zone 1.
Manderley, Mapperley	Charles Church	Developer confirms sales currently achieving approximately **£1,905 per sq m** for houses & £1,787 for apartments.	Zone 2 / 3 borders.
Chartwell Grange, Mapperley	Willmark Homes	Developer has confirmed from July 2013 to April 2014 range from between **£1,700 per sq m to £2,222 per sq m.**	Zone 3 (bordering zone 2)
Regency Heights, Mapperley	Willmark Homes	Developer confirms Mapperley sales at Regency Heights from Sept 2012 to April 2014 range from between **£1,700 per sq m to £2,227 per sq m.**	Zone 3 (bordering zone 2)
Newstead Grange, Annesley	Morris Homes	Developer confirmed that generally **£1,830 per sq m to £1,884 per sq m** achievable, in some instances dropping as low as **£1,615 per sq m.**	Outside study area on borders. Zone 1 equivalent.
Longue Drive, Calverton	Langridge Homes	Developer confirms generally achieving £1,884 per sq m to **£1,937 per sq m.**	Zone 2

Individual Properties	Type	£ Per sq m	Notes
(ALL NEW BUILD OR MODERN)			
Carrington Gate, Sherwood	2 bed town house	**£1,915**	Zone 1 border, assumed sale price allowing 5% deduction from quoting
Rolleston Drive, Arnold	3 bed semi	**£1,943**	Zone 1
Sandfield Road, Woodthorpe / Arnold border		**£2,590**	Zone 1, assumed 5% discount
Gedling Road, Arnold	4 bed detached	**£1,781**	Zone 1, sold STC – quoting price
Gedling Road, Arnold	4 bed detached	**£1,909**	Zone 1
Duke Street, Arnold	Apartment	**£2,048**	Zone 1
Kent Road, Mapperley	4 bed detached	**£1,894**	Zone 2, sold STC – quoting price
South Devon Avenue, Nottm	4 bed detached	**£1,800**	Zone 2 - quoting price
Foxhill Road, Burton Joyce	3 x 4 bed detached	**£2,271, £2,167 & £2,125**	Zone 3. Based on assumed size of 120 sq m.
Main Street, Oxton, Calverton	5 bed detached	**£2,311**	Zone 2 / 3 borders – quoting price

EVIDENCE FROM 2013 REPORT

Ward	Zone 1	Type	Beds	Specification	Price	Size	Price M²	Notes	Source	Developer
Newstead Village	Newstead Grange	Semi	3	Dalton	150000	87	1724	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Terrace	3	Didsbury	140000	81	1728	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Terrace	3	Capersthorpe	155000	88	1761	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Det	3	Dunhem	165000	89	1854	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Det	4	Malham	190000	110	1727	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Det	4	Appleton	179750	98	1834	sold	sales office	Morris

	Zone 2									
Arnold	Calverton Road	Det	4	Turnbury	228000	119	1916	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Smithy	227000	116	1957	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Belfry	214000	105	2038	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Kibworth	264000	139	1899	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Chelsea	228000	127	1795	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	5	Cadeby	349000	194	1799	asking less 5%	sales office	Bellway

Arnold	Herons Place	Semi	2	Bedford	123500	66	1871	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Semi	3	Carnell	152000	75	2027	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	3	Elford	190000	92	2065	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	4	Featherstone	228000	113	2018	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	4	Knaresborough	237500	115	2065	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	5	Alford	304000	152	2000	asking less 5%	sales office	Davidsons

Mapperley	Plains Road	Apt	2	Fairway House	118750	60	1979	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Apt	2	Fairway House	123500	60	2058	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Det	5	Pavanne	371000	185	2005	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Semi	3	Grosvenor	257000	96	2677	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Semi	3	Grosvenor	247000	96	2573	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Det	4	Cheltenham	257000	127	2024	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Det	5	Cheltenham	247000	127	1945	asking less 5%	sales office	Charles Church
	Zone 3									
Mapperley	Park Mews	Apt	1		85000	36	2361	sold	sales office	Bellway
Mapperley	Park Mews	Apt	1		90000	44	2045	sold	sales office	Bellway
Mapperley	Park Mews	Apt	2		114000	56	2036	sold	sales office	Bellway
Mapperley	Park Mews	Apt	2		117000	65	1800	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Summerby	150000	71	2113	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Summerby	165000	71	2324	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Dalton	175000	96	1823	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Dalton	185000	96	1927	sold	sales office	Bellway
Mapperley	Park Mews	Det	3	Ashby	210000	83	2530	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Everington	250000	126	1984	full asking	sales office	Bellway
Mapperley	Park Mews	Det	4	Easedale	235000	124	1895	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Easedale	260000	124	2097	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Brixham	250000	137	1825	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Brixham	260000	137	1898	sold	sales office	Bellway

Ravenshead	sheepwalk lane	Det	4	na	340000	120	2833	asking	marketing	unknown
Ravenshead	vernon avenue	Det	3	na	249950	107	2336	asking	marketing	unknown
Ravenshead	chaworth gardens	apart	2	Arden	107000	57	1877	sold	sales office	Taylor Wimpey
Ravenshead	chaworth gardens	Det	3	Kinsley	190000	96	1979	sold	sales office	Taylor Wimpey
Ravenshead	chaworth gardens	Det	4	Heydon	310000	146	2123	sold	marketing	Taylor Wimpey
Ravenshead	chaworth gardens	Semi	3	Ashford	145000	67	2164	sold	sales office	Taylor Wimpey
Ravenshead	chaworth gardens	Semi	2	Penarth	122500	56	2188	sold	marketing	Taylor Wimpey
Ravenshead	chaworth gardens	Semi	3	Carrick	155000	75	2067	sold	sales office	Taylor Wimpey
Ravenshead	chaworth gardens	Det	4	Thornwick	291000	143	2035	sold	sales office	Taylor Wimpey

Mapperley	Lime Tree Gardens	Terrace	3	Carrick	158000	76	2079	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Carrick	191000	105	1819	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Bembridge	250000	114	2193	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Carrick	230000	104	2212	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Kirkham	275000	136	2022	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi/ter	3	Carrick	183000	101	1812	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Felsham	250000	118	2119	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	5	Aldingham	310000	161	1925	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Thornwick	290000	143	2028	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	5	Camberley	335000	164	2043	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Cedar	205000	117	1752	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Carrick	195000	114	1711	asking less 5%	sales office	Taylor Wimpey

Mapperley	Chartwell Grange	Semi	3	Linby	£199,000.00	84	2251	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	3	Woodthorpe	£250,000.00	103	2306	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	3	Sherwood	£250,000.00	101	2351	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	6	Loxley	£575,000.00	255	2142	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det 3 Storey	5	Carlton	£400,000.00	162	2346	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	5/6	Ruddington	£475,000.00	180	2510	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	4	Attenborough Plus	£395,000.00	202	1858	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	4	Attenborough	£395,000.00	190	1975	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	4	Papplewick	£410,000.00	172	2265	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	5	Oxton	£410,000.00	237	1643	asking less 5%	sales office	Willmark Homes

Mapperley	Regency Heights	Det	5	Fenton	£420,000.00	193	2176	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Lambley	£395,000.00	173	2283	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	4	Radcliffe	£295,000.00	129	2287	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Mapperley	£395,000.00	181	2182	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	5	Langar	£385,000.00	162	2377	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Semi	3	Linby	£199,000.00	84	2369	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	5	Langar	£385,000.00	162	2377	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	3	Newark	£250,000.00	111	2252	asking less 5%	sales office	Willmark Homes

Mapperley	Regency Heights	Det 3 Storey	5	Ferguson	£440,000.00	190	2316	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	4	Caunton	£235,000.00	136	1728	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	4	Norwell	£210,000.00	112	1875	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	4	Tollerton	£295,000.00	128	2305	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Lambley	£395,000.00	173	2283	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Fenton	£420,000.00	193	2176	asking less 5%	sales office	Willmark Homes

Gedling	De Buseli Fields	Det	5	na	375000	210	1786	sold		Fairgrove Homes

Lambley	Lime Tree Gardens	Semi	4		200000	114	1754	asking	marketing	Taylor Wimpey
	Lime Tree Gardens	Det	4		250000	114	2193	asking	marketing	
	Lime Tree Gardens	Terrace	3		163000	76	2145	asking	marketing	

APPENDIX 3

AVERAGE HOUSE PRICES BY WARD 01/01/2011 TO 31/12/2011 – SOURCE: LAND REGISTRY

Ward	No. of Sales	**Avg. Sale Price**	Minimum Sale Price	Maximum Sale Price	Zone Range (Av)
Netherfield & Colwick	82	**£101,666**	£42,000	£245,000	
Phoenix	61	**£108,760**	£44,500	£222,500	
Daybrook	42	**£109,177**	£50,000	£263,500	
Carlton Hill	103	**£111,409**	£25,600	£188,950	
Killisick	23	**£113,715**	£85,000	£187,500	
Carlton	80	**£118,808**	£50,000	£240,000	Below £150,000
Bonnington	88	**£120,509**	£36,765	£570,000	
Valley	46	**£126,352**	£58,000	£212,000	
St. Mary's	77	**£129,667**	£58,000	£359,950	
St. James	54	**£130,923**	£56,000	£199,950	
Kingswell	72	**£132,074**	£53,000	£250,000	
Bestwood Village	63	**£143,459**	£57,647	£215,995	
Calverton	87	**£150,687**	£60,000	£775,000	
Mapperley Plains	99	**£151,248**	£20,000	£580,000	
Porchester	121	**£162,239**	£71,000	£425,000	£150,00 - £210,000
Gedling	75	**£199,684**	£55,982	£640,000	
Woodthorpe	74	**£205,413**	£43,000	£395,000	
Newstead	24	**£225,748**	£67,500	£495,000	
Burton Joyce	61	**£253,007**	£62,500	£555,000	
Lambley	45	**£254,973**	£73,750	£505,000	£210,000 +
Ravenshead	100	**£259,065**	£87,500	£1,250,000	
Woodborough	22	**£316,705**	£172,500	£755,000	

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APPENDIX 4

RETAIL EVIDENCE (Revised and previously stated)

Address	Tenant	Size sq ft	Rent per sq ft (per sq m)	Comment
Supermarkets				
We have considered Supermarket evidence locally, regionally and nationally. This demonstrates a typical rental value for supermarket use of £153 - £344 per sq m. When capitalised at a yield of 5.5%, this demonstrates that our adopted figures are justifiable, and can be considered conservative.				
Hattersley, Manchester	Tesco	93,000 sq ft	£14.50 (£156)	Sale agreed at £2697 sq m (5.3%)
Chesterfield Road South Mansfield	Tesco	91,500 sq ft	£20.00 (£236.81)	New letting March 2010. Sale and LB - £5069 sq m
Chesterfield Lockford Lane	Tesco	140,733	£23 £248)	Investment sold at £5618 sq m 5%
Leigh, Manchester	Morrisons	64,000 sq ft	£17.50 (£188)	Forward funding deal at £3532 sq m, 5%
Cheadle Hulme	Waitrose	41443 sq ft	£23 (£248)	Sale 2009 at £4055 sq m, 4.6 %
Leigh, Manchester	Tesco	119,000 sq ft		Funding deal at £4523 sq m (includes Cineworld on site)
Carlton Road Nottingham	Asda	TBC	£18.50 (£200.00)	Deal agreed for proposed Asda superstore
Kipling Dr, Derby	Tesco	55,902 sq ft	£470 (£5,059) FH	Sale and Leaseback Dec 2012
Alfreton, Derbys	Tesco	87,347 sq ft	£22.00 (£237.00)	Sale & lease back Jan 2013 at £4720 sq m, 5%
Civic Way Swadlincote, Derbys	Sainsburys	66,379 sq ft	£21.24 (£228.63)	Open market letting Nov 2010. Investment also sold at 4.45%
Lysander Road, Stoke on Trent	Tesco	70,486 sq ft	£24.24 (£260.92)	New letting
Trentham Lakes, Stoke	Aldi	15,000 sq ft	£210 (£2,260)	Freehold deal. Discount food retailer. Jan 2009
Congleton	Tesco	49,300 sq ft	£22 (£237)	Sold 2012 at 4.9% - £4585 sq m
St Helens	Tesco	140,000 sq ft	£20 (£215)	2010 Funding deal at 5.15 % (approx. £3971 sq m when devalued)
Manchester , Fallowfields	Sainsburys	55,565 sq ft	£24.33 (£262)	Sold 2010 £6683 sq m, 4.15%
Spring St , Bury	Asda	51,763 sq ft	£17 (£182)	Investment available at 6% - £2724 sq m Sept 2013
Macclesfield	Sainsburys	74,583 sq ft	£20 (£215)	Sale and Leaseback 2010. £4510 sq m , 4.9% .Sold on in 2011 at £5272 sq m, 4.5%

Newton Le Willows	Tesco	33,967 ft		Confidential transaction believed to be in region of £4357 sq m, 4.5%. Unconfirmed.
Peasley Cross Lane St Helens	Tesco	140,000 sq ft	£22.00 (£236.81)	Investments sold June 2011 5%
Thorpe Road Melton Mowbray	Tesco	49,000 sq ft	£19.29 (£207.64)	Investments sold at 5.75% May 2009
Shrewsbury	Tesco			Sale and Leaseback believed to equate to 5% yield
Ocean Road South Shields	Morrisons	60,000 sq ft	£15.00 (£161.46)	Open market letting August 2010
Farrar Road Bangor	Asda	46,141 sq ft	£17.70 (£190.52)	New letting Dec 2011. Investments sold at 5% in Dec 2011
Oldham	Tesco	157,000	£13.30 (143)	Available at £3154 sq m, 4.9%
West Bromwich	Tesco	380,000 sq ft	£20.50 (£220.67)	Sale & lease back Jan 2013. Mixed retail scheme overall rent. 5.9%
Garth Rd Bangor	M&S Food Store	18,272 sq ft	£19.51 (£210)	Investment available at 5.8% - £3,380 sq m
Tesco, Newport Rd NP11 6YD	Tesco	80,000 sq ft		2010 purchase for £43.6m as a forward funding deal £5,866 sq m
Serpentine Green Peterborough	Tesco	136,396 sq ft	£26.00 (£279.86)	Rent review Dec 2008
Prescott Merseyside	Tesco	119,435 sq ft	£21.35 (£229.81)	Rent review June 2010
Richardson Way Coventry	Tesco	103,575 sq ft	£14.27 (£153.60)	Investment sold at 4.57% in Sept 2011
Sheldon Birmingham	Morrisons	105,000 sq ft	£25.82 (£277.93)	Letting March 2010
Dennison Road Bodmin	Sainsburys	34,980		Investment available (Feb 2014) at 5.25% - £2652 sq m
Brentwood	Sainsburys	104,598 sq ft	£31.93 (£344)	Nov 2013. Sale reported at 4.08 %. Devalues to c. £8,431 sq m before costs
Ashford	Sainsburys	151,350 sq ft	£23 (£247)	Aug 2013. Sale reported at 4.1%. Devalues to c.£6024 sq m before costs.
March, Cambs	Sainsburys	32,632	£18 (£194)	ERV stated at £22 psf (£236.8 sq m). Quoting 4.5% net yield = £4067 sq m capital value
Church Lane Bedford	Aldi	16,454	£14.28 (£153.71)	Letting May 2010

Houghton Regis	Asda	51,000		Confidential transaction2012. Developer unable to disclose, but confirmed £15-£20 psf "fair tone" across UK and £1m-£1.5m max per acre land
Pulborough, Sussex	Sainsburys	29,073	£18.15 (£195)	Sold 2010 @ 4.25% (£4,347 per sq m)
Newbury	Sainsburys	133,953	£23.50 (£253)	Sold 2010 @ 4.5% (£4,982 per sq m)
Dover	Morrisons	50,700	£18 (£193.8)	Sold March 2010 @ 5% (£3,664 per sq m)
Crowborough	Tesco	27,411	£14.45 (£155)	Sold 2010 @ 4.29% (£3,422 per sq m)
Coldhams Lane Cambridge	Sainsburys	81,983 sq ft	£24.00 (£258.34)	Rent review Dec 2009
Tewkesbury Road Cheltenham	Sainsburys	97,434 sq ft	£23.25 (£250.26)	Rent review Dec 2008
Aldershot	Morrisons	78,000	£22.40 (£241)	May 2013. Sale reported at c.£5670 sq m – 4.25%
Stanway Colchester	Sainsburys	147,000 sq ft	£26.79 (£288.37)	Letting Dec 2010
Diss	Tesco	50,334 sq ft	£22.00 (£236.81)	Sale & lease back Jan 2013 at £432.91 (£4660 sq m).5%
Maldon	Tesco	103,761 sq ft	£25.82 (£277.89)	Sale & lease back Jan 2013 at £515.60 (£5550 sq m). 5%
Gloucester	Morrisons	71,300 sq ft	£20 (£215)	Funding deal Jan 2013 at 4.65% - devalues to c. £4624 sq m
Huddersfield Rd Oldham	Tesco Extra	158,175 sq ft	£17 (£183)	Jan 2014 . Investment available at 5.28% - £3266 sq m. Includes 9,000 sq ft of ancil retail.
Crawley Avenue, Crawley	Sainsburys	93,000 sq ft	£25 (£269)	2012 rent review
Leicester, Beaumont Leys	Tesco	125,500 sq ft	£23.25 (£250)	Feb 2008 RR. Incl PFS
Manchester Trafford Centre	Asda	102,000 sq ft	£25 (£269)	Rent review 2007
Milton Keynes, Kingston	Tesco	136,000 sq ft	£26 (£280)	2008 rent review
Embassy Court Welling	Tesco	84,023 sq ft	£18.40 (£198.06)	Letting June 2010. Investment sold at 5% in June 2011
Clevedon, Bristol	Morrisons	30,479 sq ft	£14.55 (£157)	Sept 11 Rent Review
Church Lane Bedford	Aldi	16,454	£14.28 (£153.71)	Letting May 2010
Ebbw Vale	Tesco	58,865 sq ft	£21.66 (£233.00)	Sale & lease back Jan 2013 at £418.75 psf (£4508 sq m) 5.2%
Newport Rd Risca NP11	Tesco	80,000 sq ft	FH	2010 funding deal at £5,866 sq m
Washdyke Lane Immingham	Coop	19,381 sq ft	£13.50 (£145.00)	Rent Review Dec 2011
Cowbridge Cattle Market	Waitrose	22,000 sq ft	£18.50 psf (£199 sq m)	New build 2012

Supermarkets	Land Evidence			
Knutsford	Aldi	c. 3.5 acres	c. £3-3.5 Ha	Exact date TBC – agent confirms deal done in more buoyant market conditions
Hampden Park, Eastbourne	Morrisons	5.5 acres	£1.25m per acre (£3.1 million per HA)	2011
Carlton Road Worksop	Tesco	8 acres	£15M (£1.875M per acre) £4.55M per ha)	Land was sold in June 2009
Barry Waterfront	Asda	7.78 acres	£2.3m per acre headline	Consent for 90,000 sq ft store. 2012
Albany St Newport	Sainsburys	14 acres	£2.45m HA	Complex deal subject to de-valuing to per acre / hectare. Richard Ryan of Fletcher Morgan acted for Sainsbury's confirmed approx figures as follows: 14 acre site £7.2m acquisition, £2.5m on remediation, £4.2m on road equates to gross price per acre of £992,000 (£2.45m / ha).
Chesterfield Road South Mansfield	Tesco	9 acres	£14M (£1.55M per acre) (£3.76M per ha)	Tesco stated that £500,000 was spent on remediation.
Carlton Road Nottingham	Asda	1 acre	£1.5M per acre (£3.71M per ha)	Blueprint Regeneration for Asda September 2011
Wilford Lane West Bridgford	Sainsburys	6.97 Acres	£1.9m p acre	March 2013. £2.12m incl S106. "Prime" site.
Carter Gate Newark	Asda	6 acres	£6,000,000 (£1M per acre) (2.48M per ha)	£1m pa. 2009
We are aware from our on-going discussions with agents & supermarket operators they are typically prepared to pay the sum in the region of £1.5M per acre for supermarket land although over recent months there has been a noticeable decrease in appetite for new development & this figure is often diminishing, in some cases more in line with the figure of approximately £1M per acre.				

Address	Tenant	Size sq ft	Rent per sq ft (per sq m)	Comment
General Retail				
DW Fitness, Netherfield	DW Fitness	45,732 sq ft		£1570 sq m investment sale Oct 2013. 7.9 % . Leisure use.
66 High St Hucknall	Undisclosed	2,057 sq ft	£11 (£118.40)	Sept 2012 letting. Gedling borders
621 Mansfield Rd NG5 2FX	Sherwood Cookery	1,561 sq ft	£16 (£172)	Nov 2012 letting
62 High St Hucknall	Confidential (ex Wilkinson)	4,711	£12.10 (£130)	Quoted Nov 2012 letting
599 Mansfield Rd	Sue Ryder	2,238 sq ft	£11.20 (£120.55)	Quoted. Feb 2013 letting
Carlton Hill Nottingham	Carphone Warehouse, Iceland Foods, Tesco Stores, Savers Health & Beauty	13,211 sq ft	£13.26 (£142.76). Average	Roadside retail development sold at freehold price equating to £2,200 per sq m. 6.15% yield. June 2011
Carlton Road Nottingham	Asda	TBC	£18.50 (£200.00)	Deal agreed for a proposed Asda superstore
Victoria Retail Park Netherfield Nottingham	Various	180,000 sq ft	£18.20 (£195.85)	Average rent for 6 units. Investments sold Sept 2010 £3,400 freehold price (5.45%)
Madford Retail Park Arnold Nottingham	Curry's / PC World	20,000 sq ft	£183.00	Rent review 2011
41 Plains Road Mapperley Nottingham	Marriotts	TBC	£12.48 (£134.00)	March 2011
533 Mansfield Road Sherwood Nottingham	TFG Florists	TBC	£13.90 (£150.00)	Sept 2011
Carlton Square Carlton Nottingham	Various	Various	£10.54 to £17.54 (£113.5 to £188.80)	District shopping centre. Investment offered at 8% yield
107 High Street Arnold Nottingham	Private	1,610 sq ft	£10.25 (£110)	Standalone roadside unit. Sept 2011 letting
41D Plains Road Mapperley Nottingham	Private	1,082 sq ft	£28.00 (£134.00)	Roadside unit. March 2011 letting

Mansfield Road Arnold Nottingham	Wickes	23,564 sq ft	£165.50 (£1,782)	Capital value (freehold price) for investment sale at 7.3% Nov 2012
6-8 Mansfield Road Daybrook, Nottingham	Carpetright Plc	39,125 sq ft	£11.25 (£121.00) & £13.05 (£140.00)	Freehold investment sold. Freehold price equated to £1,185 per sq m. Feb 2010

Newcastle Avenue Worksop	Bathstore	3,000 sq ft	£15.00 (£161.46)	New letting April 2009
Newcastle Avenue Worksop	Sainsburys Local	4,000 sq ft	£13.50 (£145.31)	New letting April 2009
Newcastle Avenue Worksop	Barnardos	3,000 sq ft	£15.00 (£161.46)	New letting May 2011
Priory Centre Worksop	Undisclosed tenant	3,240 sq ft	£11.57 (£124.54)	New letting Sept 2011
170 Alfreton Road Sutton in Ashfield	Tesco Local	4,912 sq ft	£12.41 (£133.58)	Rent review August 2010
Bridge Street Chesterfield	Pets at Home	5,075 sq ft	£14.50 (£156.08)	New letting Nov 2011
Greenland Road Sheffield	B&Q	108,737 sq ft	£13.21 (£142.19)	Investment sold at 6.62% August 2011
Bridge Street Chesterfield	DUK	16,000 sq ft	£13.50 (£145.31)	New letting Nov 2011
Eyre Street Sheffield	Children's World & Staples UK	32,140 sq ft	£14.60 (£157.15)	Investment sold at 6% March 2010
Lea Road Gainsborough	B&Q	22,000 sq ft	£10.75 (£115.71)	Second hand accommodation
New Bridge Street Clay Cross	Jack Fulton	2,858 sq ft	£17.49 (£188.26)	New letting January 2012
Babbage Way Worksop	Halfords	3,800 sq ft	£8.68 (£93.43)	Trade use (B8) – not retail
Thorne Road Retail Park Doncaster	Iceland	8,000 sq ft	£12.50 (£134.55)	New letting Nov 2011
Thorne Road Retail Park Doncaster	Motorworld	4,800 sq ft	£12.50 (£134.55)	New letting August 2011
Woodhouse Road Mansfield	One Stop	2,500 sq ft	£12.50 (£134.55)	New letting January 2011

Corringham Road Gainsborough	New roadside development	Various, 98 sq m – 116 sq m	£13.00 (£139.93)	New Units. Quoting terms £15-£13 psf
Northgate Newark	Dreams	9,600 sq ft	£17.00 (£182.99)	New letting Dec 2010
Thorne Road Retail Park Doncaster	Wren Kitchens	10,000 sq ft	£15.00 (£161.46)	New letting Oct 2010

Northgate Newark	Boots plc	9,600 sq ft	£18.00 (£193.75)	New letting August 2010
Sandlands Court Mansfield	Kennelpak	4,000 sq ft	£13.00 (£139.93)	New letting Sept 2009
Corringham Road Gainsborough	Spar	4,000 sq ft	£14.00 (£150.70)	New letting Aug 2011
Northgate Newark	Halfords	8,157 sq ft	£29.16 (£313.91)	Rent review June 2011
Woodhouse Road Neighbourhood Centre Mansfield	Various	Various	£16.45 (£77.00) Or £164.5 (£1,771.00)	Quoting terms
Stephensons Drive, Leicester	One Stop	2,750 sq ft	£12 (£129)	Roadside convenience store. Feb 2011

The above comparable evidence demonstrates an achievable zone for roadside retail / neighbourhood centre retail both locally & region wide of between £115 to £200 per m as an established pattern of achievable rents.

Capitalised at 7 to 8% this demonstrates that our adopted figures are comfortably achievable & fully justified.

APPENDIX 5

VALUATION TABLES

GEDLING INDICATIVE COMMERCIAL VALUES 2014

	FOOD RETAIL	OTHER RETAIL (A1, A2, A3, A4, A5)	INDUSTRIAL (B1b, B1c, B2, B8)	OFFICES (B1a)	HOTELS (C1)	RESIDENTIAL INSTITUTIONS (C2)	INSTITUTIONAL & COMMUNITY (D1)	LEISURE (D2)	AGRICULTURAL	SUI GENERIS	
"MARKET" LAND VALUE (per HA)										VEHICLE REPAIRS	VEHICLE SALES
COMMERCIAL	3,700,000	1,500,000	430,000	430,000	865,000	430,000	430,000	600,000	15,000	430,000	850,000
SALES VALUES (per M2)											
COMMERCIAL	2750	1700	700	1350	2500	1266	1077	1350	323	700	1100

COMMERCIAL LAND RESIDUAL VALUES

	£ HA
Industrial	Neg
Office	Neg
Food Retail	£4,478,843
General retail	£2,102,016
Resi Institution	Neg
Hotel	Neg
Community	Neg
Leisure	£67,245

GEDLING INDICATIVE RESIDENTIAL VALUES - £ PER M^2 2014

	Apartments	Houses	Land per/Hectare £
Zone 1	1750	1830	1270000
Zone 2	1935	1990	1380000
Zone 3	2095	2150	1500000

RESIDUAL LAND FIGURES:-

Zone 1	Zone 2	Zone 3
£1,128,595	£1,509,813	£1,891,031

Appendix 2

Building Cost Report
Gleeds Cost Consultants

International
Management &
Construction Consultants

gleeds

CIL VIABILITY APPRAISAL

CONSTRUCTION COST STUDY

For

GEDLING BOROUGH COUNCIL

Nottingham Regeneration Limited

Gedling Borough Council

CILViability Appraisal

Order of Cost Study

Gleeds (Nottingham)
Wilford House, 1 Clifton Lane
Wilford, NG11 7AT

T: 0115 977 8000
F: 0115 977 8001

25/03/14

www.gleeds.com

gleeds

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Client:	*Gedling Borough Council*
Project:	*CIL Viability Appraisal*
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Revision: (Document issues are given in Appendix A)	*0.4*
Date:	*25/03/14*
Prepared by:	*Alan Davidson*
Checked by:	

Contents

Executive Summary

1. **The Project**

   This Cost Study provides an estimate of construction costs over a range of development categories, to support a CIL Viability Appraisal

2. **Allowances**

   The Estimate includes on-cost allowances for the following:

   - Consultants
   - B. Regulations and Planning fees
   - NHBC Insurance where applicable

3. **Basis of Estimate**

   The basis of the Estimate is in Section 2 of this report.

4. **Detailed Construction Cost Study**

   The detailed Cost Study is given in Section 3 of this report.

5. **Risk Allowance**

   A Risk Allowance of 5% of construction cost is recommended

Project Description

Nottingham Regeneration Limited (NRL) have been appointed by Gedling Borough Council for the production of the Council's Community Infrastructure Levy Charging Schedule, through to adoption.

Gleeds are acting as part of the NRL team, to provide indicative construction costs, over the range of development categories, to inform the Appraisal.

The range of development categories are as agreed with Gedling Borough Council

Basis of Cost Study

Base Date

Rates for Construction Costs in the Estimate have been priced at a Base Date of 2nd quarter, 2014. Allowances must be made for inflation beyond this date dependant on the mid-point date of construction.

Procurement

The costs included in this Estimate assume that procurement is to be achieved on a single stage competitive tender basis, from a selected list of Contractors.

Scope of Development Types

The scope of development types within the various categories varies between categories.

This is reflected within the range of construction values stated for a particular category.

For the purposes of undertaking the Viability Appraisal, average rates for construction have been given for each development category; the range of values have also been stated.

Basis of Costs

The following benchmarking data was used in the preparation of the estimate:

1. Analysis of construction costs over a range of projects within the Gleeds Research and Development Data Base.

2. Where insufficient data is available within any particular category cross-reference is also made to BCIS construction cost information.

All construction costs have been adjusted for Location Factor (Gedling – 0.94) and All-in TPI for 2nd Quarter 2014 (BCIS index – 240), (as 21 March 2014 indices update)

Assumptions/Clarifications

The following assumptions/clarifications have been made during the preparation of this Estimate:

- The costs included in this Estimate assume that competitive tenders will be obtained on a single stage competitive basis.
- There are no allowances in the Estimates for Works beyond the site boundary.
- All categories of development are assumed to be new build.
- It is assumed development takes place on green or brown field prepared sites, i.e. no allowance for demolition etc.
- All categories of development include an allowance for External Works; site abnormal and facilitating works have been excluded.

Exclusions

The Order of Cost Study excludes any allowances for the following:

- Value Added Tax
- Finance Charges
- Unknown abnormal ground conditions including:
    - Ground stabilisation/retention
    - Dewatering
    - Obstructions
    - Contamination
    - Bombs, explosives and the like
    - Methane production
- Removal of asbestos
- Surveys and subsequent works required as a result including:
    - Asbestos; traffic impact assessment; existing buildings
    - Topographical; drainage/CCTV; archaeological
    - Subtronic
- Furniture, fittings and equipment
- Aftercare and maintenance
- Listed Building Consents
- Service diversions/upgrades generally
- Highways works outside the boundary of the site

Detailed Construction Cost Study

Development Type	Construction Cost £/m² Min	Max	Median
Standard Residential (Mass Housebuilder, mid range, 2-5 bed house)	690	1,062	870
Residential, 2-5 bed code 4	800	1,075	970
Low Rise Apartments	840	1,242	1,020
Low Rise Apartments, code 4	935	1,240	1,165
Care Homes	900	1,265	1,145
General Retail, shell finish	720	1,030	890
Food Retail supermarket, shell finish	450	830	740
Hotels, 2000m² mid-range, 3* inc. F+Ftgs	1,610	1,850	1,700
Industrial, Offices, Cat A fit-out	870	1,290	1,125
Industrial, general shell finish	410	743	480
Institutional / Community D7 (museums, library, public halls, conference	1,460	2,590	1,950
Leisure D5 (shell only leisure units)	820	1,040	900
Agricultural shells	180	775	452
SUI Generis			
Vehicle Repairs	805	945	880
Vehicle Showrooms	1,080	1,260	1,210

On-costs

Professional fees		
- Consultants (excluding legals)	7.25%	
- Surveys etc	0.75%	8%
Planning / Building Regs Statutory Fees		0.6%
NHBC / Premier warranty (applies only to Residential and Other Residential)		0.5%
Contingency / Risk Allowance		5%

Note:

* Industrial offices, Cat A are based on speculative office development, of cost efficient design
** Leisure D5 development is based on shell buildings and exclude tenant fit-out

Appendix 3

Strategic Site Appraisals

for

Gedling Colliery
And
Top Wighay Farm

Residential Viability Appraisal

SITE LOCATION	Top Wighay Farm				
NET DEVELOPABLE SITE AREA	33.9	Ha			
DEVELOPMENT SCENARIO	Greenfield	(Greenfield, Brownfield or Residual)			
UNIT NUMBERS	1000	Total Units			
Affordable Proportion %	30%	300 Affordable Units			
Affordable Mix	70%	Intermediate	0% Social Rent	30% Affordable Rent	
Development Floorspace		62160 Sqm GIA Market Housing		26,640 Sqm GIA Affordable Housing	

DEVELOPMENT VALUE

					Totals
Total Housing Sales Area	Apartments	3000	sqm		
(ie Net Floorspace)	Houses	85800	sqm		
MARKET HOUSES	Area		Sales Value		
Apartments	2100	sqm	2095 £ per sqm	£4,399,500	
Houses	60060	sqm	2150 £ per sqm	£129,129,000	
AFFORDABLE HOUSING				Total Market Housing Value	**£133,528,500**
Intermediate Houses	70%	of Open Market Value			
Apartments	630	sqm	1466.5 £ per sqm	£923,895	
Houses	18018	sqm	1505 £ per sqm	£27,117,090	
				Total Intermediate Affordable Housing Value	**£28,040,985**
Social Rent Houses	40%	of Open Market Value			
Apartments	0	sqm	838 £ per sqm	£0	
Houses	0	sqm	860 £ per sqm	£0	
				Total Social Rent Affordable Housing Value	**£0**
Affordable Rent Houses	50%	of Open Market Value			
Apartments	270	sqm	1047.5 £ per sqm	£282,825	
Houses	7722	sqm	1075 £ per sqm	£8,301,150	
				Total Affordable Rent Housing Value	**£8,583,975**
				Total Development Value	**£170,153,460**

DEVELOPMENT COSTS

LAND COSTS	Net Site Area	Market Housing Land Area		Affordable Housing Land Area	
	33.90 Ha	23.73 Ha		10.17 Ha	
Market Hsg Land Value	£792,068	per Ha	Total Market Land Value	£18,795,762	
Affordable Hsg Land Value	£0	per Ha	Total Aff Hsg Land Value	£0	
		5.0% **SDLT Rate**	**Stamp Duty Land Tax**		**£939,788**
CONSTRUCTION COSTS				**Total Land Cost**	**£18,795,762**
			1.15	Net : Gross	
Apartments	3450 sqm	1020 £ per sqm		£3,519,000	
Houses	85800 sqm	870 £ per sqm		£74,646,000	
				Total Construction Cost	**£78,165,000**
FEES, FINANCE & ANCILLARY COSTS					
Abnormal Costs		0	£		**£0**
Professional Fees		8.0%	of Construction Cost		**£6,253,200**
Legal Fees		0.5%	of Gross Development Value		**£850,767**
Statutory Fees		1.1%	of Construction Cost		**£859,815**
Sales/Marketing Costs		2.0%	of Market Units Value		**£2,670,570**
Contingencies		5.0%	of Construction Cost		**£4,220,910**
Planning Obligations		0	£ per unit		**£16,016,000**
CIL		70	£ per sqm Market Housing		**£4,351,200**
Interest	6.0%	12	Month Construction	6 Mth Sale Void	**£7,178,921**
Arrangement Fee	1.0%	of Total Costs			**£1,085,349**
Development Profit	Market Hsg	20.0%	of GDV	Aff Housing 6.0% Build Costs	**£28,380,065**
				Total Costs	**£169,767,347**
VIABILITY MARGIN					**£386,113**

Vi·ab²

Residential Viability Appraisal

SITE LOCATION		Gedling Colliery			
NET DEVELOPABLE SITE AREA		20	Ha		
DEVELOPMENT SCENARIO		Brownfield	(Greenfield, Brownfield or Residual)		
UNIT NUMBERS		600	Total Units		
Affordable Proportion %	20%	120	Affordable Units		
Affordable Mix	75%	Intermediate	0% Social Rent	25%	Affordable Rent
Development Floorspace		42624	Sqm GIA Market Housing	10,656	Sqm GIA Affordable Housing

DEVELOPMENT VALUE

				Totals
Total Housing Sales Area	Apartments	1800	sqm	
(ie Net Floorspace)	Houses	51480	sqm	

MARKET HOUSES

	Area		Sales Value			
Apartments	1440	sqm	1935	£ per sqm	£2,786,400	
Houses	41184	sqm	1990	£ per sqm	£81,956,160	
					Total Market Housing Value	**£84,742,560**

AFFORDABLE HOUSING

Intermediate Houses	70%	of Open Market Value				
Apartments	270	sqm	1354.5	£ per sqm	£365,715	
Houses	7722	sqm	1393	£ per sqm	£10,756,746	
					Total Intermediate Affordable Housing Value	**£11,122,461**
Social Rent Houses	40%	of Open Market Value				
Apartments	0	sqm	774	£ per sqm	£0	
Houses	0	sqm	796	£ per sqm	£0	
					Total Social Rent Affordable Housing Value	**£0**
Affordable Rent Houses	50%	of Open Market Value				
Apartments	90	sqm	967.5	£ per sqm	£87,075	
Houses	2574	sqm	995	£ per sqm	£2,561,130	
					Total Affordable Rent Housing Value	**£2,648,205**
					Total Development Value	**£98,513,226**

DEVELOPMENT COSTS

LAND COSTS

	Net Site Area		Market Housing Land Area		Affordable Housing Land Area		
	20.00	Ha	16.00	Ha	4.00	Ha	
Market Hsg Land Value	£744,280	per Ha		Total Market Land Value	£11,908,480		
Affordable Hsg Land Value	£0	per Ha		Total Aff Hsg Land Value	£0		
		5.0%	**SDLT Rate**	**Stamp Duty Land Tax**			**£595,424**
				Total Land Cost			**£11,908,480**

CONSTRUCTION COSTS

				1.15	Net : Gross	
Apartments	2070 sqm	1020	£ per sqm		£2,111,400	
Houses	51480 sqm	870	£ per sqm		£44,787,600	
					Total Construction Cost	**£46,899,000**

FEES, FINANCE & ANCILLARY COSTS

Abnormal Costs		0	£			**£0**
Professional Fees		8.0%	of Construction Cost			**£3,751,920**
Legal Fees		0.5%	of Gross Development Value			**£492,566**
Statutory Fees		1.1%	of Construction Cost			**£515,889**
Sales/Marketing Costs		2.0%	of Market Units Value			**£1,694,851**
Contingencies		5.0%	of Construction Cost			**£2,532,546**
Planning Obligations		0	£ per unit			**£5,759,000**
CIL		45	£ per sqm Market Housing			**£1,918,080**
Interest	6.0%	12	Month Construction	6	Mth Sale Void	**£4,159,721**
Arrangement Fee	1.0%	of Total Costs				**£658,581**
Development Profit	Market Hsg	20.0%	of GDV	Aff Housing 6.0%	Build Costs	**£17,619,153**
					Total Costs	**£98,505,212**

VIABILITY MARGIN

£8,014

Gedling Strategic Site Viability Appraisal Assumpt

Top Wighay Farm Option 1

Housing Mix

Type	Nos	Size (sqm)	Total Sqm		Site Area
Apartments	50	60	3000	3000	33.9 Ha
2 Bed Houses	200	75	15000	Apts	
3 Bed Houses	600	88	52800		
4 Bed Houses	150	120	18000	85800	
5 Bed Houses	0	150	0	Houses	
	1000				

Sales Values

Apartments	£2095sqm	Industrial	£700sqm
Houses	£2150sqm		

Build Costs

Apartments	£1020sqm	Industrial	450sqm
Houses	£870sqm		

Land Value

Residential Residual Land Value per Ha	£1,569,135
Industrial Residual Land Value per Ha	NA
Existing Greenfield Value per Ha	£15,000

Residential Land Value Benchmark

£15,000 + £1,554,135 x 50% = £792,068

Existing Use Value + Uplift in Value x 50% = Benchmark

Affordable Housing Assumptions

Proportion 30%

Tenure Mix Intermediate 70% Affordable Rent 30%

Transfer Value Intermediate 70%OMV Social Rent 40%OMV Aff Rent 50%OMV

Planning Obligation Contributions

Transport	£8,750,000	
Primary Education	£3,500,000	
Secondary Education	£2,816,000	
Health	£950,000	
	£16,016,000	£16,016 per dwelling

Employment

Viability Results

30% Affordable	£386,113

ions

Top Wighay Farm Industrial

Housing Mix

Sales Values

Industrial	£700sqm

Build Costs

Industrial	450sqm

Land Value

Industrial Residual Land Value per Ha	£430,000

Affordable Housing Assumptions

Planning Obligation Contributions

Transport	£4,500,000

Employment	
Site area	8.5Ha
Floorspace	42500 sqm
Use	Industrial B1, B2, B8

Viability Results

-£3,886,995

Gedling Colliery

Housing Mix

Type	Nos	Size (sqm)	Total Sqm
Apartments	30	60	1800
2 Bed Houses	120	75	9000
3 Bed Houses	360	88	31680
4 Bed Houses	90	120	10800
5 Bed Houses	0	150	0
	600		

1800
Apts

51480
Houses

Site Area
20Ha

Sales Values

Apartments £1935sqm
Houses £1990sqm

Build Costs

Apartments £1020sqm
Houses £870sqm

Land Value

Residential Residual Land Value per Ha	£1,266,060
Mixed Industrial/Agricultural Residual Land Value per Ha	£222,500
Existing Greenfield Value per Ha	£15,000

Residential Land Value Benchmark

£222,500 + £1,251,060 x 50% = £744,280

Existing Use Value + Uplift in Value x 50% = Benchmark

Affordable Housing Assumptions

Proportion 20%
Tenure Mix Intermediate 75% Affordable Rent 25%
Transfer Value Intermediate 70%OMV Social Rent 40%OMV Aff Rent 50%OMV

Planning Obligation Contributions

Transport	£0	
Primary Education	£3,500,000	
Secondary Education	£1,689,000	
Health	£570,000	
	£5,759,000	£9,598 per dwelling

Viability Results

	20% Affordable	£8,014

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GEDLING CIL
The Infrastructure Delivery Plan and the Existence of a Funding Gap

1. INTRODUCTION AND LEGISLATIVE CONTEXT

Until March 2012 the production of an Infrastructure Delivery Plan (IDP) was a statutory requirement of the Local Development Framework (LDF) as defined by Planning Policy Statement (PPS12). This stated:

> "The Core Strategy should be supported by evidence of what physical, social and green infrastructure is needed to enable the amount of development proposed for the area, taking account of its type and distribution. This evidence should cover who will provide the infrastructure and when it will be provided."

However since then the new National Planning Policy Framework (NPPF) has come into force. The intention of the framework is to make the planning system less complex and more accessible, and to promote sustainable development. The NPPF must be taken into account in the preparation of local and neighbourhood plans, including the Core Strategy. The NPPF should be read in conjunction with other relevant national policy statements and does not contain specific policies for infrastructure projects. It does however set a general framework for local authorities to follow when seeking to provide suitable infrastructure for their communities:

'At the heart of the NPPF is a presumption in favour of sustainable development, which should be seen as a golden thread running through plan-making. This means that:
- Local authorities should positively seek opportunities to meet the development needs of their area; and
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change.' (NPPF, Para. 14)

The presumption in favour of sustainable development is underpinned by twelve core planning principles, many of which directly or indirectly impact on the provision of local infrastructure. These include the need to:
- Proactively drive and support economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs;
- Always seek to secure a good standard of amenity for all existing and future occupants of land and buildings;
- Encourage the effective use of land by reusing land that has been previously developed;
- Promote mixed use developments; and
- Focus significant development in locations which are or can be made sustainable (NPPF, Para. 17)

The NPPF recognises that in promoting economic development there is only so much business can be required to contribute to the requirements of planning policy expectations and that a 'clear economic vision' must be developed of how growth is going to be achieved i.e. proposals must be realistically deliverable. It also notes that the absence of suitable infrastructure is a barrier to growth and that priorities for intervention must be highlighted:

'Planning policies should recognise and seek to address barriers to investment, including a poor environment or any lack of infrastructure, services or housing. Local planning authorities should identify priority areas for economic regeneration, infrastructure provision and environmental enhancement.' (NPPF, Para. 21)

Therefore the need for a targeted and deliverable Infrastructure Delivery Plan remains a key element of local planning policy. In preparing such a plan the NPPF states:

'Local planning authorities should work with other authorities and providers to:

- Assess the quality and capacity of infrastructure for transport, water supply, wastewater and its treatment, energy (including heat), telecommunications, utilities, waste, health, social care, education, flood risk and coastal change management, and its ability to meet forecast demands; and
- Take account of the need for strategic infrastructure including nationally significant infrastructure within their areas.' (NPPF, Para. 162)

Developing a Robust IDP

With the strategic justification clear, it is imperative to focus on how local authorities and their partners produce an effective IDP. Good infrastructure planning should take into account the infrastructure required to support development, costs, sources of funding, timescales for delivery and gaps in funding. This allows for the identified infrastructure to be prioritised in discussions with key local partners. The infrastructure planning process should identify, as far as possible:

- Infrastructure needs and costs;
- Phasing of development;
- Funding sources; and
- Responsibilities for delivery.

The IDP is an essential element of the evidence that supports the Core Strategy and other Development Plan Documents in the LDF. The IDP therefore responds to the growth targets and policies in the Core Strategy, elaborating on how the spatial objectives will be delivered through the provision of infrastructure.

The purpose of an IDP is to help deliver an authority's long-term vision for the future. It describes what infrastructure is needed and how, when and by whom it will be delivered and, where known, the location. It should be accompanied by an Infrastructure Delivery Schedule that presents the key programmes and projects that are important for the delivery of the Core Strategy.

By infrastructure we mean physical or hard infrastructure such as utilities and transport; green infrastructure such as parks, open spaces and the natural environment; and social infrastructure such as schools, health facilities and other public service centres. A full list of infrastructure to be included in an IDP is tabulated below.

Table 1: Infrastructure Types

Hard Infrastructure	Green Infrastructure	Social Infrastructure
Economic Development	Allotments	Arts, Libraries and Culture
ICT/Broadband	Green Links	Indoor Sports and Leisure
Transport	Natural Open Land	Education
Utilities	Outdoor Sports and Recreation	Health and Social Care
Waste Processing and Recycling	Parks and Play Areas	Indoor Sports and Leisure
	River and Natural Water Features	

2. CURRENT STATUS OF GEDLING IDP

The Greater Nottingham Joint Planning Advisory Board (JPAB) oversees the preparation of Aligned Core Strategies across Greater Nottingham, and the implementation of the Growth Point infrastructure projects. The Greater Nottingham Growth Point Team has prepared a joint Infrastructure Capacity Study and Delivery Plan on behalf of Broxtowe, Erewash, Gedling, Nottingham and Rushcliffe Councils. As Hucknall (part of Ashfield District) forms part of Greater Nottingham and has a close functional relationship with the other council areas, the IDP has regard to cross boundary and cumulative infrastructure requirements across the whole of Greater Nottingham including Hucknall. The Growth Point Team in conjunction with Ashfield Council have made assumptions to enable impacts on, for example, transport networks and water resources to be more accurately assessed. Ashfield has prepared its own IDP in 2013 that includes details of growth and specific sites.

The consultancy team preparing the Community Infrastructure Levy for Gedling Borough Council were provided with a copy of the Greater Nottingham Infrastructure Delivery Plan (version 1) dated June 2012. Since this time the figures have been refined and the latest schedule is derived from the Aligned Core Strategies Publication Version (March 2014) Minor amendments and main modifications; Appendices A & B (Ref CD/EX/10A)

The IDP schedule covers the following categories of infrastructure:

a) Transport (Highways, Public Transport, Air and Water)
b) Utilities (Water, Energy, Digital Infrastructure)
c) Flooding and Flood Risk
d) Health Provision
e) Education Provision
f) Police Services
g) Ambulance Services
h) Fire Services
i) Waste Management (Collection and Disposal)
j) Community Services
k) Green Infrastructure.

3. GEDLING INFRASTRUCTURE SCHEMES

The Community Infrastructure Levy is intended to assist in filling the funding gap that remains once existing sources (to the extent that they are known) have been taken into account. It is important in justifying the charging of a Community Infrastructure Levy for Gedling that a funding gap be clearly demonstrated. If no gap exists the requirement for introducing the Levy in Gedling would come under scrutiny. The diagram below illustrates how the funding gap is established.

Infrastructure Funding Gap

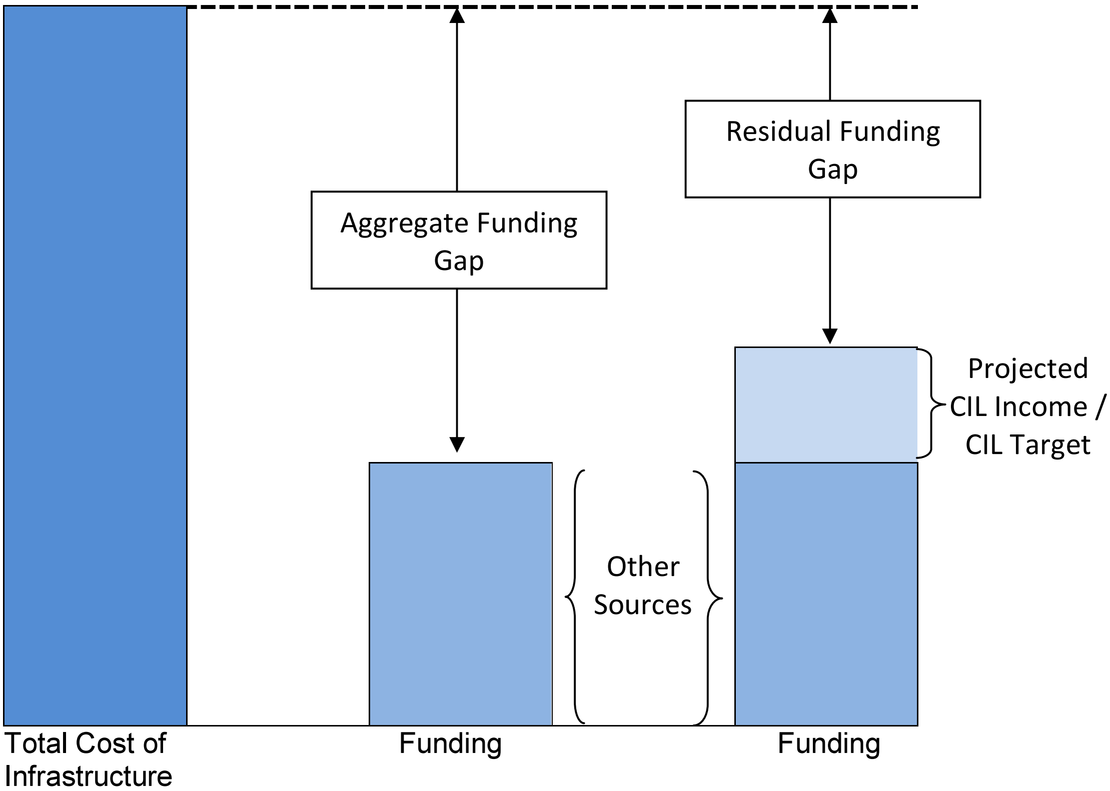

Table 2 includes those projects which have been identified in the IDP to date within Gedling. In addition two more local projects with Growth Point support have been listed. The projects are arranged in infrastructure categories. There are currently 23 schemes identified; 3 of which have no costs estimated as yet. The cost of implementing the remaining schemes totals £87m. Limited funding has been identified for the schemes that make up this total. Approximately £28m of costs will be incurred on schemes that are scheduled for delivery in the next 5 years. The table illustrates that there is currently a shortfall of £36m over the 15 year plan period

The most costly scheme identified is for the access road to facilitate the development of the Gedling Colliery/Chase Farm site (£32.4m). The Local Transport Board has identified the road as a strategic priority and provisionally set aside a £10.8m contribution. In addition there is potential for a further £5.4m from Nottinghamshire County Council and £3m from the Public Land and Infrastructure Fund. £8m worth of funding for land purchase etc to facilitate the project had already been sourced via the HCA. CIL will cover the remaining shortfall of £6.2m.

In respect of the remaining schemes the IDP for the Aligned Core Strategy identifies S.106 contributions as a major source of funding. In respect of the education infrastructure S.106 is listed as the only contributor. Nottingham County Council has been consulted in order to clarify the position and it has been confirmed that no County Council funding will be available for new school places required as a result of development and there is an expectation that developer contributions will fund these places. However the IDP was produced in the 'non–CIL world' and in practice education provision is likely to be from a combination of CIL and S.106. For example where there is a known requirement for a new school this could be identified in the Reg. 123 list, whereas all other improvements could be sought through S.106. This gives the ability to account for 'planned' growth, and also to react to 'unplanned' growth and ad hoc planning applications. Some S.106 contributions have been identified in Table 2 but this will change over time. All gaps in health expenditure are also identified as being funded through developer contributions

The Aligned Core Strategy was adopted in September 2014, in advance of the CIL Examination. It should be noted that the CLG CIL guidance states that the CIL examiner will normally accept the data collated in the IDP as sufficient evidence of the aggregate infrastructure funding gap and the total target amount to be raised through CIL.

Table 2: Infrastructure Schedule - Gedling Borough Council Only Schemes

Infrastructure Category	Project Location	Project Description	Progress	£K				Timescale			Comments
				Estimated Cost	Funding (provisional)	Funding Source	Funding Gap	Within 5 years	Within 10 years	Within 15 Years	
Green Infrastructure	Gedling Colliery	Gedling Country Park - footpaths & drainage		£250	£250	Growth Point	0				
		- Visitor Centre		£1,000			£1,000				
Green Infrastructure	Calverton	Mitigation measures associated with prospective Sherwood Forest Special Protection Area	To be developed as part of Master planning work	tbc			tbc				Mitagation measures follow guidance within HRA Screening Record and guidance from Natural England
Green Infrastructure	North of Papplewick Lane	1.6ha Public Open Space and maintenance contribution	Masterplan underway	tbc			tbc				
Regeneration	Arnold	Arnold Town Centre - Improvements		£950	£950	Growth Point	0				
		- Leisure Centre Ext^{n}	To be costed by	tbc			tbc				
Transport	Gedling Colliery/ Chase Farm	Gedling Access Road to facilitate development of Gedling Colliery/Chase Farm.	Planning Application Stage	£32,400	£7,000 £10,800 £5,400 £3,000	HCA LTB County Council PLIF	£6,200				GBC and HCA reviewing long term delivery options for the scheme. Local Transport Board now recognises as astrategic priority.
Transport	Top Wighay Farm	Integrated transport package	Masterplan underway	£8,750	8,750	Developer	£0				Strategic integrated transport measures to be confirmed via transport modelling
Transport	Gedling Colliery	Integrated transport package	Masterplan underway	tbc			tbc				Strategic integrated transport measures to be confirmed via transport modelling
Health	Gedling Colliery	Health Centre	Masterplan underway	£570	£570	PCT/Dev	£0				Detailed requirements to be confirmed following further consultation with NHS Nottinghamshire PCT
Health	Top Wighay Farm	GP Surgery	Masterplan underway	£950	£950	PCT/Dev	£0				Detailed requirements to be confirmed by NHS Nottinghamshire PCT
Health	North of Papplewick Lane	Local health centre	Planning Application Stage	£285	£285	PCT/Dev	£0				Detailed requirements to be confirmed following further consultation with NHS Nottinghamshire PCT
Education	Bestwood Village	Possible new primary School	Masterplan finalised	£3,500	£3,500.00	Developer	£0				
Education	Bestwood Village	Expansion of secondary places	Masterplan finalised	£552	£552.00	Developer	£0				
Education	Calverton	Possible expansion of existing schools or new Primary School may be required	Masterplan finalised	£3,500	£3,500.00	Developer	£0				
Education	Calverton	Expansion of secondary places	Masterplan finalised	£2,000	£2,000.00	Developer	£0				
Education	Gedling Colliery	Primary School	Masterplan underway	£3,500	£3,500	Developer	£0				Indicative costs for education provided on basis of current multiplier. Detailed assessment not yet possible as delivery timescale outside of reliable timescale for pupil projection forecasts
Education	Gedling Colliery	Secondary school places contribution	Masterplan underway	£1,689	£1,689	Developer	£0				Indicative costs for education provided on basis of current multiplier. Detailed assessment not yet possible as delivery timescale outside of reliable timescale for pupil projection forecasts
Education	Ravenshead	Expansion of secondary places	Masterplan finalised	£1,210	£1,210	Developer	£0				
Education	Top Wighay Farm	Primary School	Masterplan underway	£3,500	£3,500	Developer	£0				
Education	Top Wighay Farm	Secondary school places contribution	Masterplan underway	£2,816	£2,816	Developer	£0				
Education	North of Papplewick Lane	Primary School	Planning Application Stage	£3,500	£3,500	Developer	£0				
Education	North of Papplewick Lane	Secondary school places contribution	Planning Application Stage	£1,267	£1,267	Developer	£0				
Education	Cumulative non strategic sites	Primary school places contribution	To be determined via Local Planning Document	£7,500			£7,500				Indicative costs for education provided for school places generated for non-strategic housing sites over the plan period on basis of current multiplier. Detailed requirements to be confirmed in parallel with DPDs and detailed site proposals
Education	Cumulative non strategic sites	Secondary school places contribution	To be determined via Local Planning Document	£8,600			£8,600				Indicative costs for education provided for school places generated for non-strategic housing sites over plan period on basis of current multiplier. Detailed requirements to be confirmed in parallel with DPDs and detailed site proposals
Total				**£88,289**	**£64,989**		**£23,300**	**£5,366**	**£5,367**	**£12,567**	

*Cumulative non strategic education site costs pro-rata-ed across each 5 year time period

Source: Aligned Core Strategies Publication Version (March 2014) - Minor changes and main modifications Appendices A & B CD/EX/10A;
Gedling Borough Council Site Viability - Details of assumptions used to inform viability assessments (as set out in Appendix L of CD/EX/35) CDEX60;
Gedling Borough Council Planning Strategy Team

Table 2: Infrastructure by Category - Gedling Borough Council only schemes
Summary Table

Infrastructure Category	Total No of Projects	No of Eligible	No of Costed	Cost of Infrastructure	Funding Identified			Gap 2013-2016	Notes
					Source	Amount	Gap		
Green Infrastructure	4	4	2	1,250,000	Growth Point	250,000	1,000,000	0	Two projects not costed
Regeneration	2	2	2	950,000	Growth Point	950,000	0	0	
Transport	3	3	2	41,150,000	Various	34,950,000	6,200,000	0	One project not costed
Health	3	3	3	1,805,000	PCT/Developer	1,805,000	0	0	Estimated project costs
Education	13	13	13	43,134,000	Developer	27,034,000	16,100,000	5,366,000	Cumulative non strategic sites contributions for education were pro-rated for a 5 year period.
Totals	**25**	**22**	**20**	**88,289,000**		**64,989,000**	**23,300,000**	**5,366,000**	

4. FUNDING SOURCES

Given the current economic climate in the UK and overseas, funding sources to enable infrastructure development are generally regarded as scarce, however some do exist. A list of possible sources of funding is outlined in Table 3 below. Gedling Borough Council and the other Aligned Core Strategy authorities will wish explore these to identify those that are appropriate and are able to assist the funding and delivery of projects within the IDP.

Table 3: Potential Infrastructure Funding Sources

Funding Source/Mechanism	Description	Comment
Council Tax	It would be possible to increase Council Tax to pay for the costs of infrastructure, although there are many other factors to consider in setting Council Tax levels.	Government is offering grants to Councils to freeze their local taxes this year. Politically it may not be popular for Council to raise taxes at this time.
Cross Subsidy	In essence this is using the profits from one use to subsidise a loss making use, e.g. residential subsidising infrastructure.	In theory Section 106 and CIL would provide the capital for infrastructure. However this approach can be applied to Council development or land sales where any surplus is channeled into new infrastructure. Unlikely to provide any funds for infrastructure.
Developer Funding	In some cases it is expected that developers will fund the costs of infrastructure without the need for this to be formalised through a planning obligation.	Highly unlikely source of funding if developers are paying CIL and providing affordable housing.
Future Department for Transport (DfT) Major Transport Schemes Funding (MTS)	The Government has identified £1.5 billion for major transport schemes from now until the 2014-15 financial year.	Much of this fund is already committed. Despite the economic climate other schemes may be called to encourage growth.
Gedling Borough Council Capital Programme	The Council has a Capital Programme, funded by Council Tax and other sources of income such as prudential borrowing.	The scale of the Council's Capital Programme is likely to be reduced significantly in coming years, largely in response to reduced funding from Central Government.
Growing Places Fund	This Fund has been specifically created to kick start development projects that have stalled due to the recession and has made £500 million available for this purpose.	It is understood that the D2N2 LEP has been awarded £17.8 million from the fund that can be used to fund infrastructure to unlock economic growth. Competition will be great from within the D2N2 area for this limited pot of money.
Homes and Communities Agency (HCA)	Homes and Communities Agency funding is being simplified into a small number of funding streams, covering affordable housing, existing stock, and using public sector land assets to deliver mixed use regeneration.	Although resources are scarce, the HCA should provide one of the best possibilities of obtaining funding for opening up new housing sites. The HCA has previously identified £8 million to facilitate the development of the Gedling Colliery/Chase Farm site.

Local Enterprise Partnership (LEP)	These are partnerships of local businesses and civic leaders. They are charged with setting the economic priorities of an area and are the focus of the Government's growth drive.	It is important that the Council are actively involved in working with the D2/N2 LEP to set priorities and benefiting from any Government through the LEP.
Local Transport Plan Capital / Capitalised Maintenance	Local authorities have traditionally secured funding for capital initiatives and for infrastructure maintenance through the Local Transport Plan. This funding is allocated by the Department for Transport.	A possible source.
New Homes Bonus (NHB)	This initiative from the Government is aimed at increasing the number of homes built. Councils will be rewarded for each home built. The reward is based on the tax band within which the house sits. Bonuses will be paid for the first six years that the home is occupied. Band D properties for example would, (based on average national band figure in 2010/11) give a bonus of £1,439. Affordable homes will receive a supplementary payment of £350 per year. The money raised through the New Homes Bonus is not ring-fenced and the Council can decide how it is used. The link to the NHB calculator is given below: www.communities.gov.uk/documents/housing/xls/1846581.xls	A possible source for infrastructure investment.
Planning Permission Conditions	In some circumstances, local authorities are sometimes able to deliver infrastructure through planning conditions attached to planning permissions. These conditions are grounded in planning policies, and can be used instead of or in addition to Planning Obligations (see below). For example, Sustainable Urban Drainage Systems (SUDS) can be delivered in this way.	This will reduce the amount of CIL available.
Planning Obligation - Section 106 Agreement (S106)	Section 106 agreements are bilateral legal agreements that have been negotiated by developers and local authorities (occasionally including others) to mitigate the impacts of particular developments. The agreement usually reflects the developer's agreement to provide the local authority with a set sum or sums of money to spend in a specified way.	CIL will largely replace Section 106 for strategic infrastructure. Local infrastructure can still be paid for via S.106 but with limits imposed on pooling.
Regional Growth Fund (RGF)	The Government is currently appraising the third round bids for this fund. Its purpose is to back projects with significant potential for private sector economic growth and employment, in particular, supporting areas and communities that are currently over dependent on the public sector. A panel chaired by Lord Heseltine is assessing bids made by the private sector and by public-private partnerships, including those from Local Economic Partnerships.	Looking at approved schemes this grant source is primarily orientated towards the early and guaranteed generation of jobs. Unlikely to assist with infrastructure costs.

5. THE EXISTENCE OF A GAP

An analysis of the funding sources[1] above indicate that it is unlikely that any of the sources will contribute significantly to the meeting of the costs identified in Section 3. As indicated above, the IDP identifies Section 106 contributions as being the main funding sources for the overwhelming number of schemes. CIL will substantially replace Section 106 (with the exception of affordable housing) **there will be a clear funding gap of at least £23 million over the period of the Plan until 2028 of which circa £5 million could be required to the end of 2015/2016.**

The above figures illustrate the aggregate funding gap between the total cost of infrastructure to support growth and the amount of available funding. Finally, for CIL to be levied it is necessary to establish that the funding gap is greater than the anticipated level of CIL receipts over the plan period (up to 2028).

Under the charging proposals within the Draft Charging Schedule (February 2013) the projected income generated from CIL receipts over the plan period of the Core Strategy, up to 2028, is estimated to be circa £7.2 million as indicated in the tables at Appendix 1. This calculation is based on residential and retail development likely to come forward over the remainder of the plan period following the programmed adoption of CIL and excludes all other uses (as evidenced by the data at the end of Appendix 1).

The residual funding gap summarised in Table 4 clearly demonstrates the need to charge CIL on development in order to help fund infrastructure to support the levels of growth set out in the Aligned Core Strategy.

Table 4: Aggregate Funding Gap

Infrastructure Funding Shortfall		
Aggregate Funding Gap		**£ 23,300,000**
Projected CIL Income		
Residential	£6,478,218	
Commercial	£ 720,000	**£ 7,198,218**
Residual Funding Gap		**£16,101,782**

The Draft Regulation 123 list is presented at the end of the Draft Charging Schedule. The list has been informed by the appropriate available evidence as set out in this document but will continue to evolve. Changing circumstances such as the availability of different funding opportunities may result in the need to review the list.

The Draft Regulation 123 list which identifies infrastructure to be funded through CIL is drawn from projects which make up the aggregate funding gap. This is in recognition of the fact that other funding sources are likely to come forward in time thus reducing the total gap. It also seeks to ensure that the funding target for CIL relates to estimates of projected CIL income.

[1] Due to the uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term, the Guidance states that authorities should rely on evidence that is appropriate and available (para.14-CIL Guidance- Dec. 2012).

Calculation of CIL income

Residential Property

CIL CHARGING SCHEDULE £/sq m			
	Area		
Development Type	Zone 1	Zone 2	Zone 3
Residential	£0.00	£45.00	£70.00

Variables	Zone 2	Zone 3
% affordable housing	20%	30%
Net additional floorspace	90%	90%
Av unit size	$90m^2$	

PROJECTED CIL INCOME 2015-2018				
	Zone 2	Zone 3	Totals	Income p.a.
No of units	157	7		
Less Aff Hsing percentage	125.6	4.9		
@ $90m^2$ per unit	11,304 m^2	441 m^2		
x floorspace factor	10,174 m^2	397 m^2		
CIL Totals	£457,812	£27,783	£485,595	£161,865

GBC Housing Projections				
Zone	2015-18	2018-23	2023-28	Total
1	50	337	139	526
2	157	833	875	1,865
3	7	215	40	262
Total	214	1,385	1,054	2,653

PROJECTED CIL INCOME 2018-2023				
	Zone 2	Zone 3	Totals	Income p.a.
No of units	833	215		
Less Aff Hsing percentage	666.4	150.5		
@ $90m^2$ per unit	59,976 m^2	13,545 m^2		
x floorspace factor	53,978 m^2	12,191 m^2		
CIL Totals	£2,429,028	£853,335	£3,282,363	£656,473

Note
The above data is taken from the latest Aligned Core Strategy housing trajectory modifications, 2014 which are based on the SHLAA update 2013. The figures assume CIL is not implemented until 2015. A more detailed explanation is included as part of this Appendix.

PROJECTED CIL INCOME 2023-2028				
	Zone 2	Zone 3	Totals	Income p.a.
No of units	875	40		
Less Aff Hsing percentage	700	28		
@ $90m^2$ per unit	63,000 m^2	2,520 m^2		
x floorspace factor	56,700 m^2	2,268 m^2		
CIL Totals	£2,551,500	£158,760	£2,710,260	£542,052

PROJECTED CIL INCOME 2015-2028				
	Zone 2	Zone 3	Totals	Income p.a.
Residential CIL Totals	£5,438,340	£1,039,878	£6,478,218	£498,324

Calculation of CIL income
Commercial Property

CIL CHARGING SCHEDULE £/sq m	
Development Type	Single Zone
Retail A1, A2, A3, A4 , A5	£60.00
All other uses	£0.00

Projected CIL Income 2015-18		
	Retail only	Income p.a.
New floorspace 2000m^2	£120,000	40,000

Projected CIL Income 2018-23		
	Retail only	Income p.a.
New floorspace 5000m^2	£300,000	60,000

Projected CIL Income 2023-28		
	Retail only	Income p.a.
New floorspace 5000m^2	£300,000	60,000

Projected CIL Income 2015-28	
	Retail only
Commercial CIL Totals	£720,000

All CIL Income

PROJECTED CIL INCOME (ALL) 2015-2028				
	Zone 2	Zone 3	Totals	Income p.a.
Residential CIL Totals	£5,438,340	£1,039,878	£6,478,218	£498,324
	Single Zone			
Commercial CIL Totals	£720,000		£720,000	£55,385
All CIL Income Projection			**£7,198,218**	**£553,709**

Analysis of GBC historic data	
No of new retail permissions granted 2007-14	15
Total floorspace granted	38,945m^2
Net increase i.e. new floorspace	25,466m^2
Net Implemented to date	5,452m^2
Unimplemented	20,014m^2
New floorspace projection for CIL (14 years)	12,000m^2

Note
The above data has been collated over a period of very difficult trading in the retail sector. It is anticipated that the level of retail applications and permissions will increase over the next 14 yrs. The revenue estimates are however based on cautious estimates about how the market might perform assuming a greater build out than experienced in the last 7 yrs.

Calculation of Residential CIL income

Housing Supply in CIL Charging Zones March 2014 (revised)

	Housing Completions 2011-2013	Housing Supply 2013-2028 Sites that will not generate CIL	Housing supply 2013-2028 Remainder of sites to generate CIL	Housing Total 2011-2028
Zone 1				
Urban area	191	543* +119**	333	1186
Windfall	0	0	104	104
Teal Close	0	830*	0	830
Bestwood Village	32	52* +176**	0	260
Newstead	0	1*	89	90
Zone 1 Total	**223**	**1721**	**526**	**2470**
Zone 2				
Urban area	191	302* +331**	397	1221
Windfall	0	0	104	104
Gedling Colliery	0	0	600	600
Calverton	19	272*	764	1055
Zone 2 Total	**210**	**905**	**1865**	**2980**
Zone 3				
Top Wighay Farm	0	1000**	0	1000
North of Papplewick Lane	0	300**	0	300
Ravenshead	57	47* +70**	156	330
Other Villages	12	52*	106	170
Zone 3 Total	**69**	**1469**	**262**	**1800**
TOTAL	**502**	**4095**	**2653**	**7250**

* Existing sites with planning permission
** Assume sites to be granted planning permission before April 2015

Notes:
Housing figures are as of 31 March 2013.

Housing figures are from ACS Housing Trajectory Modifications 2014 which is based on information from developers via SHLAA Update 2013. If no information provided by developers then the Council's assumptions are used.

Assumes CIL is adopted April 2015.

For sites that developers say will start to deliver houses before April 2016, assumes they will not be picked up by CIL (as assumes permission will be granted the year before i.e. before April 2015). For sites that developers say will start to deliver houses after April 2016, assume they will be picked up by CIL.

Assume both Top Wighay Farm and the North of Papplewick Lane sites will be granted permission before April 2015.

Assume the Gedling Colliery site will be granted permission after April 2015.

For the villages, if the sites are in the built up area, assume they are granted permission before the Local Planning Document is adopted at the end of 2015 and not picked up by CIL. If the sites are in the Green Belt, assume they come forward after the Local Planning Document is adopted at the end of 2015 and picked up by CIL.

Bestwood Village has received two planning applications; one on safeguarded land and one on brownfield site. Assume they will be granted permission before April 2015.

Calverton has one planning permission on the safeguarded land which is currently under construction.

Ravenshead has received planning application for up to 70 homes on the safeguarded land. Assume this will be granted permission before April 2015.

The total capacity for Newstead is 90 homes.

The completions figure and windfall allowance in the urban area has been divided equally between Zones 1 and 2.

Housing Supply in CIL Charging Zones – Five Year Projection Periods

March 2014

	2013/14 to 2017/18	2018/19 to 2022/23	2023/24 to 2027/28	Total
Zone 1	50	337	139	526
Zone 2	157	833	875	1865
Zone 3	7	215	40	262
TOTAL	214	1385	1054	2653

Notes:
Housing figures are as of 31 March 2013.

Housing figures are from ACS Housing Trajectory Modifications 2014 which is based on information from developers via SHLAA Update 2013. If no information provided by developers then the Councils assumptions are used.

Assume CIL is adopted April 2015.

Above table includes housing figures that would generate CIL. Exclude those that would generate CIL before CIL adopted in 2015 (i.e. sites with existing planning permission and sites that are assumed to have planning permission before CIL adopted in 2015).

(See Table on 'Housing Supply in CIL Charging Zones' for further information)

Calculation of Commercial CIL income

The commercial CIL levy is proposed for retail developments only. An analysis of retail permissions granted for retail in last 7 years shows the following:

Analysis of GBC historic data 2007/14	
No of new retail permissions granted 2007-14	15
Total floorspace granted	38,945m^2
Net increase i.e. new floorspace	25,466m^2
Net Implemented to date	5,452m^2
Unimplemented	20,014m^2
New floorspace projection for CIL (14 years)	12,000m^2

The source information is shown in the table below.

Source: GBC Planning Data, 2014

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APPENDIX F

Gedling Borough Council

Revised Draft Charging Schedule

January 2015

Introduction

The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area. The money can be used to fund a wide range of infrastructure that is needed as a result of development – for example, new or safer road schemes, park improvements or a new health centre. The levy applies to most new buildings and charges are based on the size and type of the new development.

CIL is considered to be fairer, faster and more certain and transparent than the current system of planning obligations which are generally negotiated on a 'case-by case' basis. Levy rates that will be set in consultation with local communities and developers will provide developers with much more certainty 'up front' about how much money they will be expected to contribute.

Levy rates must be set a level which does not affect the viability of development in the area taking into account the cost of land, build costs, expected sales price and a return for the developer. Given the differences in land costs and sales prices across the Borough it is proposed to set different CIL rates in different parts of the Borough.

The Draft Charging Schedule was originally issued for consultation in October 2013. Since then there have been significant changes in circumstances with the Community Infrastructure Levy (Amendment) Regulations 2014 coming into force and a review of the housing supply in the Aligned Core Strategy. It was therefore considered appropriate to reissue a Revised Draft Charging Schedule for a further round of consultation. This Revised Draft Charging Schedule has been produced to set out where CIL will be levied and how much will be charged. It builds on previous consultation work that was undertaken on the Preliminary Draft Charging Schedule (September 2012). The Revised Draft Charging Schedule also includes the Regulation 123 list. This sets out the infrastructure that will be funded via CIL. Infrastructure not on this list can be funded through S106 Obligations if it is necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in kind and scale to the development.

Revised Draft Charging Schedule

The Borough of Gedling is a charging authority for the purposes of Part 11of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy (CIL) in respect of development in the Borough of Gedling. The Council is also the collecting authority for its administrative area.

Statutory Compliance

The Revised Draft Charging Schedule has been prepared in accordance with the Community Infrastructure Levy Regulations 2010, Part 11 of the Planning Act 2008 and statutory guidance in 'Community Infrastructure Levy: Guidance' (CLG, 2012).

In accordance with Regulation 14, in setting the CIL rate the Council has aimed to strike what it considers to be 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.

The Council's timetable for producing an adopted CIL Charging Schedule is:

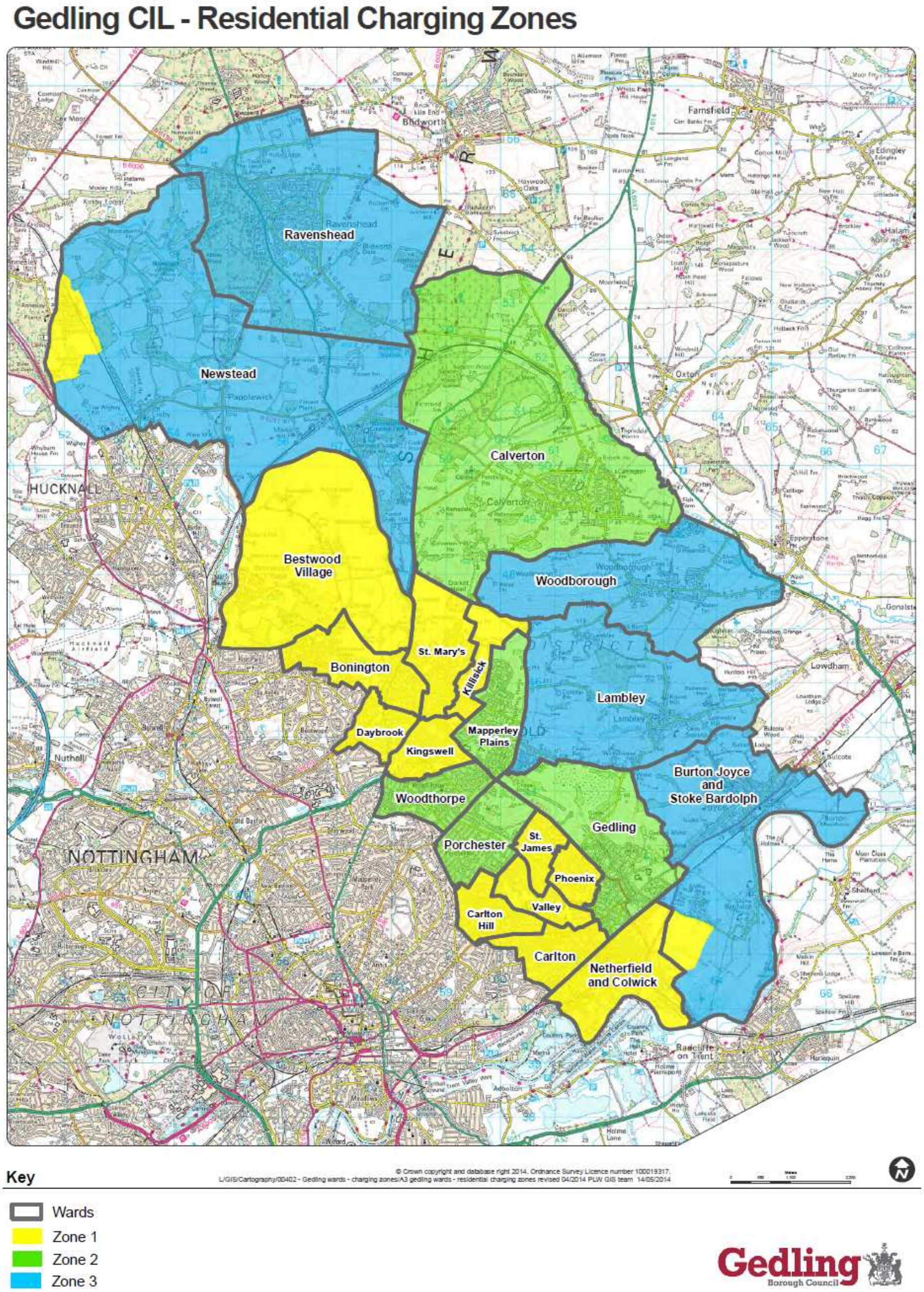
Consultation on Revised Draft Charging Schedule ends	Summer 2014
Submission of Revised Draft Charging Schedule for Examination	Winter 2014
Examination of Revised Draft Charging Schedule	Spring 2015
Adoption of Charging Schedule	Summer 2015

CIL Rate

The rate at which CIL will be charged shall be:

Development Type			
Residential	Zone 1	Zone 2	Zone 3
	£0/sqm	£45/sqm	£70/sqm
Commercial	Borough wide		
Retail A1, A2, A3, A4, A5	£60/sqm		
All other uses	£0/sqm		

Charging Zone Map



Gedling Borough Council

Supporting Evidence Base

The initial rationale for introducing CIL was set out in the Council's Preliminary Draft Charging Schedule which was published for consultation in September 2012. The PDCS was supported by a number of evidence base documents. These documents have been revised or supplemented following consultation and the publication of amended guidance and regulations in Dec 2012, April 2013 and February 2014.

A link to all supporting documents is provided below:

http://www.gedling.gov.uk/planningbuildingcontrol/planningpolicy/communityinfrastructurelevycil/

Liability to pay CIL

Liability to pay CIL occurs on the grant of the related planning permission that first permits the proposed development, such as the grant of full planning, change of use or approval of the last reserved matter on the grant of outline planning.

CIL payment

GBC will issue a liability notice following the grant of the planning permission for the chargeable development. The notice will be sent to the applicant, the owner and any party who has assumed liability for the CIL.

The Regulations state that CIL becomes payable upon the commencement of development (defined by reference to section 56(4) of the TCPA 1990 and includes works of demolition and construction and preparatory works such as digging foundations and installing services). It is possible for the Council to collect staged payments provided it has an adopted policy (instalments policy) for doing so, which has been published for at least 28 days prior to use on the Council's website. GBC has proposed an instalment policy which was set out in the Preliminary Charging Schedule and is included in the supporting evidence base.

Calculating the Charge

GBC will calculate the amount of CIL payable ("chargeable amount") in respect of a chargeable development in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010, as amended in 2011, 2012 and 2014.

Under Regulation 40, the CIL rate will be index linked with the Royal Institute of Chartered Surveyors "All In Tender Price Index". The current 'All In Tender Price Index' will be set out at the time of adoption.

Existing Floorspace on a Development Site

Regulation 40 provides that the total floorspace of any existing buildings on a development site should be subtracted from the floorspace of the chargeable development, where the existing buildings have been in use for at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.

Exemptions and Reliefs

The following forms of development are exempt from paying CIL:

- buildings into which people do not normally go, or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery (Regulation 6);
- developments of under 100 sq m that do not result in the creation of 1 or more additional dwellings (Regulation 42); and
- development by a charity where the development will be used wholly or mainly for charitable purposes (Regulation 43).

The following types of development are able to apply for relief from paying CIL:

- social housing (Regulations 48, 49, 50, 51, 52, 53, 54).

In addition, the Council has the option to offer discretionary relief for:

- development by a charity where the profits of the development will be used for charitable purposes (Regulations. 44, 45, 46, 47, 48); and
- exceptional circumstances (Regulations 55, 56, 57, 58).

The Council's policy on whether discretionary relief is offered will be set out in a separate policy document, in accordance with the relevant regulations.

Representations on the Revised Draft Charging Schedule will be made available to the person appointed to examine the soundness of the Charging Schedule during an independent examination. Persons making representations may request the right to be heard by an examiner.

Regulation 123 List of Projects to be funded by CIL – January 2015

Project 1

Project Location: Gedling Colliery

Project Description: Gedling Access Road to facilitate development of Gedling Colliery/Chase Farm

Progress: Stalled (due to funding gap)

Estimated Cost: £32,400,000

Funding: £26,200,000

Gap £6,200,000

Funding Composition:

Funding	Funding Source	Funding Bid	Comments
£7m	Homes and Communities Agency		GBC and HCA are reviewing long term delivery options for the scheme
£10.8m		Local Transport Board	
£5.4	Nottinghamshire County Council		Subject to the agreement of the Transport and Highways Committee
£3m		Public Land and Infrastructure Fund	TBC

Project 2

Project Location: Gedling Colliery Country Park

Project Description: Visitor Centre

Progress: Not yet started

Estimated Cost: £1,000,000

Funding £ 0

Gap £1,000,000

Project 3

Project Location: Gedling Colliery / Chase Farm

Project Description: Secondary School contributions

Progress: Not yet started

Estimated Cost: £1,689,000

Funding £ 0

Gap £1,689,000

Project 4

Project Location: Top Wighay Farm

Project Description: Secondary School contributions

Progress: Not yet started

Estimated Cost: £2,816,000

Funding: £ 0

Gap: £2,816,000

Summary

Total Gap Funding Reg123 List £11,705,000

CIL Revenue Target £7,200,000

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APPENDIX I

EQUALITY IMPACT NEEDS ASSESSMENT

Policy/Service/Procedure to be assessed	CIL Draft Charging Schedule (May 2014)
Assessment completed by:	Tom Dillarstone

Aims/objectives of the Policy/Service/Procedure

To set out and consult on the operation of the Community Infrastructure Levy and the infrastructure it will fund.

Key Performance Indicator	Current Performance	Target

Who are the customers and stakeholders of this service?

Developers and those submitting qualifying planning applications. Residents who will benefit from the infrastructure funded.

Detail below what information you already have about the impact this policy/service/procedure has on the following groups including results from consultation, complaints, census:	
Black and minority ethnic people	None – new policy
Men/women and trans	None – new policy
Disabled people	None – new policy
Gay/Lesbian/bisexual People	None – new policy
People from different faiths	None – new policy
People of different ages	None – new policy

How will this policy/service/procedure impact on the following groups:		
	Positive impact	**Negative impact**
Different racial groups	CIL will increase the funds available for infrastructure and be of benefit to all residents of the Borough.	
Men/women and trans	CIL will increase the funds available for infrastructure and be of benefit to all residents of the Borough.	
Disabled people	CIL will increase the funds available for infrastructure and be of benefit to all residents of the Borough.	
Gay/Lesbian/bi-sexual people	CIL will increase the funds available for infrastructure and be of benefit to all residents of the Borough.	
People from different faiths	CIL will increase the funds available for infrastructure and be of benefit to all residents of the Borough.	
People of different ages	CIL will increase the funds available for infrastructure and be of benefit to all residents of the Borough.	

What changes could be made to the policy/service/procedure to address any negative impacts? N/A			
What monitoring will be carried out to ensure this policy/service/procedure meets diverse needs N/A			
What actions will be included in your service plan arising from this assessment?			
Action	**Outcome**	**Date?**	**Who?**
Are you satisfied that all aspects of this policy/service/procedure have been thoroughly assessed for all the strands of diversity and that no further investigation is required? Y **If no then a fuller impact assessment is required.**			

Signed……………………………………………….(manager) Signed………………………………………..(Corporate Equality Representative)

Report to Cabinet

Subject: Anti-Social Behaviour, Crime and Policing Act 2014, *Reform of Anti-Social Behaviour Powers.*

Date: 13th November 2014

Author: Corporate Director

Wards Affected

All Gedling Borough Wards

Purpose

To inform Members of the new tools and powers that came into force on 20th October 2014 with the implementation of the new Anti-Social Behaviour, Crime and Policing Act 2014 (“the Act”).

To recommend delegation to Corporate Director level to carry out the functions under the Act and authorise the Corporate Director in consultation with the Council Solicitor and Monitoring Officer to instigate legal proceedings under the Act.

To obtain Member approval of the financial level for Fixed Penalty Notices issued by the council for failing to comply with a Community Protection Notice.

Key Decision

This is a key decision

Background

1.1 Anti-social behaviour is a broad term that is used to describe the day to day incidents of crime, nuisance and disorder that makes residents lives a misery. As there are a wide range of behaviours, partner agencies have a shared responsibility for dealing with anti-social behaviour, particularly the police, council and social landlords.

1.2 Victims, when passed from one agency to another can feel helpless. In many cases, anti-social behaviour is targeted against the most vulnerable individuals and communities in our society and even though it may be perceived as ‘low level’ anti-social behaviour, when persistent, can have devastating effects on a victim’s life.

1.3 The Government has reviewed the existing powers and in place of nineteen different tools and powers, there are now just six, which the council could utilise. Below is an overview of all the new powers available.

1.4 **Community Trigger**

The Community Trigger gives victims and communities the right to request a review of their case where they feel there have been repeated incidents of anti-social behaviour reported to agencies and the response from the agencies has not been satisfactory. The Community Trigger brings agencies together to take a joined up, problem-solving approach to find a solution. A request for the Community Trigger can be made by residents, community groups and councillors in respect of problems reported to agencies including the council, police, local health teams and registered providers of social housing. When a request for the Community Trigger is activated, the request will be received by a Single Point of Contact (SPOC) at Gedling Borough Council, who will determine if the thresholds for the Community Trigger have been met. It is envisaged that this SPOC will be the Community Safety and Safeguarding Manager with the support of the Anti-Social Behaviour Coordinator. The thresholds for the Community Trigger are currently being finalised by the Safer Nottinghamshire Board and the Police and Crime Commissioner (PCC). The application form for the Community Trigger once completed would be submitted to the SPOC. For the purpose of the Community Trigger, anti-social behaviour is defined as behaviour causing harassment, alarm and distress to a member, or members, of the public. It is proposed that the County and City will adopt the same thresholds to provide consistency across Nottingham and Nottinghamshire. The proposed threshold will more than likely be three separate reports/incidents of anti-social behaviour in the past six months to the agencies listed above. If the proposed thresholds are met then a review will be carried out at a partnership meeting. It is proposed that the review would be carried out at the existing monthly anti-social behaviour meeting as all the required agencies are in attendance. If there are a large number of reviews or a case is particularly complex, then a Partnership meeting will take place outside of the monthly anti-social behaviour meeting.

1.5 The Community Trigger has been piloted in 5 areas (Manchester, Brighton and Hove, Boston, West Lindsey and the London Borough of Richmond). The pilots have shown that there have been a small number of activated triggers which have met proposed threshold for reviews to be taken place. However, after discussion with agencies at the monthly anti-social behaviour meeting it is thought that when the Community Trigger is communicated with members of the public there could be a number of requests that will not meet the proposed thresholds but will have to be assessed if they potentially meet the threshold by the SPOC. Any appeals by a victim where the threshold has been deemed not to be met will be carried out by the PCC.

1.6 The Community Trigger procedure and details of the SPOC must be publicised by the council as must information about the number of times the trigger is used, the number of times the threshold is not met and numbers of reviews and recommendations resulting from the Community Trigger. The Community Trigger could have a significant impact on the council in the first instance following any communications put in the public arena regarding its purpose, as the SPOC will have to determine which requests meet the thresholds or not. The Community Trigger is a tool which requires multi-agency involvement throughout and is likely to impact on all agencies. The process of setting up the procedure and review process has involved input from all agencies and a focus on partnership problem solving approaches.

1.7 **Community Remedy**

The Community Remedy is intended to give the victims of anti-social behaviour and low-level crime more say in the punishment of perpetrators outside of the court setting. The victim's involvement in the process is voluntary and the victim must not be made to feel that they should be taking part in the process if they are not comfortable, if they think they may be put at risk, or that they do not believe that it will benefit them. The perpetrator has to admit guilt that they have engaged in the behaviour and they agree to take part in the process. The various Community Remedies will be outlined in the community remedy document attached at Appendix 1.

1.8 The impact of the Community Remedy on the council is minimal as the PCC's office are leading on the development of the policy and scheme across the County. The Anti-Social Behaviour Coordinator and the Community Safety and Safeguarding Manager will ensure that the partner agencies that attend the monthly anti-social behaviour meeting are aware of it and how to make referrals when required.

1.9 Attendees at the anti-social behaviour meeting will be aware of what remedies are available, what the thresholds are and how to make referrals when required.

1.10 The police will be the principle agency that will be using the Community Remedy document (Appendix 1) and making referrals.

1.11 **Injunction to Prevent Nuisance and Annoyance (Civil Injunction).**

This is a civil injunction aimed at stopping or preventing individuals engaging in anti-social behaviour quickly, nipping problems in the bud before they escalate. This power has not yet come into force and is expected to come in early 2015. The civil injunction is available to a wider range of agencies than the previous anti-social behaviour Injunctions which were used by social housing providers. The Injunctions to Prevent Nuisance and Annoyance are obtainable on a civil standard of proof (the balance of probability) unlike the Anti-Social Behaviour Order which is a criminal standard of proof (beyond all reasonable doubt). There is no need to prove 'necessity' unlike Anti-Social Behaviour Orders. Breach of the Injunction is not a criminal offence and there is also scope for positive requirements to be included and to focus on long term solution. The conditions for the imposition of the new injunction are two fold, firstly the court must be satisfied that the respondent has engaged or threatens to engage in anti-social behaviour and secondly the court must consider it just and convenient to grant the injunction for the purpose of preventing the respondent from engaging in anti-social behaviour. Anti-social behaviour is further categorised into housing and non-housing related anti-social behaviour.

1.12 A number of agencies can apply for the injunction to ensure that the agency best placed to lead on a specific case can do so. The agencies are Gedling Borough Council, housing providers (such as Gedling Homes), Chief Officer of Police for the local area, Chief Constable of the British Transport Police, Environment Agency and NHS Protect. NHS Protect leads to identify and tackle crime and anti-social behaviour across the health service. The aim is to protect NHS staff and resources from activities that would otherwise undermine their effectiveness and their ability to meet the needs of patients and professionals. Due to the various agencies being able to apply for the Injunction to Prevent Nuisance and Annoyance the Anti-Social Behaviour Coordinator will request that agencies, especially the local neighbourhood police teams and Gedling Homes, provide a monthly update of any injunctions that have been obtained.

1.13 The Injunction can be issued against anyone 10 years of age and over. Applications made against those individuals that are 18 years and younger are made in the Youth Court and applications against those individuals who are over 18 years are made in the County Court or High Court.

1.14 The Injunction can be used to tackle a wide range of behaviours. These can include vandalism, public drunkenness, aggressive begging, irresponsible dog ownership, noisy or abusive behaviour towards neighbours or bullying. Before any injunction can be applied for agencies must make proportionate and reasonable judgments before applying for the injunction. The injunction should not be used to prevent reasonable, trivial or benign behaviours that have not caused, or are not likely to cause anti-social behaviour to victims or communities.

1.15 The injunction will include relevant prohibitions to prevent behaviour occurring and it can also include positive requirements to get the perpetrator to tackle the possible underlying cause of their behaviour. An example of a positive requirement is attending an alcohol or drugs awareness programme. In terms of duration, where the perpetrator is 18 or under the prohibitions or requirements must have a specified time limit and the maximum term is twelve months. For those over 18 the prohibitions and requirements can be for a fixed or indefinite period. The court can attach a power of arrest to any prohibition or requirement except a positive requirement if the anti-social behaviour involves violence or the threat of violence or there is a significant risk of harm to others from the perpetrator.

1.16 Breach of the injunction is not a criminal offence as a breach is dealt with as contempt of court for adults, which is punishable by up to 2 years in custody and/or unlimited fine. With regards to youths, breaches are dealt with by the Youth Courts and could result in a supervision order, curfew or activity requirement. In the most serious cases where there is no alternative the court may impose a detention order on a young person who are aged between 14 years and 18 years. Although breach is not a criminal offence the criminal standard of proof applies and breaches must be proved beyond reasonable doubt.

1.17 The impact that the Injunction to Prevent Nuisance and Annoyance is likely to have is a medium impact on the council. Given that the injunction has a civil level of proof requirement and can be used for a wide range of anti-social behaviours it may be a tool the council use more frequently than the current stand-alone applications to the Magistrates' Court for Anti-Social Behaviour Orders. The new injunctions will allow the council to use hearsay evidence such as anonymous witness statements which under the current regime carry less weight.

1.18 **Criminal Behaviour Order**

The Criminal Behaviour Order (CBO) is now in force and is to be issued by a criminal court against a person who has been convicted of an offence to tackle the most persistently anti-social individuals who are also engaged in criminal activity. (This is similar to the Anti-Social Behaviour Order on Conviction CRASBO). The Crown Prosecution Service will usually be the applicant either of its own initiative or following a request for a CBO by the police or council. The CBO hearing can be heard at the same time as the sentencing for the original criminal conviction. The criminal conviction does not have to have an anti-social element.

1.19 There is a requirement to consult with Youth Offending Teams for under 18s but they cannot veto the application. There is also the scope for positive requirements as well as prohibitions to focus on long-term solutions. There is no need to prove 'necessity' unlike Anti-Social Behaviour Orders. For a CBO to be made the court must be satisfied beyond all reasonable doubt, that the offender has engaged in behaviour that has caused or was likely to cause, harassment, alarm or distress to any person and that the court considers making the order will help in preventing the offender from engaging in such behaviour. When an order is obtained against an adult it will last for a minimum of two years, for a juvenile it will last between one and three years.

1.20 The impact to the council is likely to be low to medium as the Crown Prosecution Service will usually apply for the CBO but in some cases the local council may apply after the offender has been convicted of a criminal offence. The prosecution can apply for a CBO of its own initiative or following a request from the council or police.

1.21 **Community Protection Notice**

A Community Protection Notice (CPN) is issued to stop a person aged 16 years or over, a business or organisation committing ASB which spoils the community's quality of life. It is intended to deal with particular, ongoing problems or nuisances which negatively affect the community's quality of life by targeting those responsible. The police and council are able to issue CPN after a written warning has been issued requesting the perpetrator to stop the problem behaviour and what the consequences are if they continue. The agency issuing the CPN can carry out works in default. When investigating a complaint which is already covered by statutory nuisance legislation (noise/accumulation) the investigating officer should use the nuisance legislation in the first instance.

1.22 Police officers, police community support officers and councils can issue CPNs. Also local councils can designate social landlords, for example Gedling Homes. It is not envisaged at this time that there will be a designation to social landlords to issue CPNs but this will be reviewed in the future.

1.23 The CPN is designed to be broad and focuses on the impact that the anti-social behaviour is having on the community and victims. The CPN can be issued by designated officers if they are satisfied on reasonable grounds that the conduct of an individual, business or organisation is having a detrimental effect on the quality of life of those in the locality, is persistent or continuing in nature and is unreasonable. It is to be decided on a case by case basis if a CPN is to be issued. The CPN may contain requirements to stop the behaviours or to take steps to achieve specified results.

1.24 The issuing officer has to prove that the person issued with the CPN can be reasonably expected to control or affect the behaviour. So, in relation to a business, the manager could be the person responsible to carry out the requirements of the CPN and not the owner of the business as the manager deals with the day to day running of the business activities.

1.25 Before a CPN can be issued a written warning has be issued to the person committing the anti-social behaviour. The written warning must be clear that if the anti-social behaviour does not stop they could be issued with a CPN.

1.26 Failure to comply with the CPN is an offence which can be dealt with by a number of options:

- a Fixed Penalty Notice (FPN)
- remedial action (works in default)
- prosecution in the Magistrates' Court

- remedial orders – obtained on conviction
- forfeiture order – obtained on conviction
- seizure - the court issue a warrant authorising the seizure of items used in the commission of an offence of failing to comply with a CPN.

The Notice can be appealed to the Magistrates' Court within 21 days of issue. Any costs of works undertaken on behalf of the offender by the council can be challenged by the offender if they think they are disproportionate. In relation to the issuing of FPNs for failing to comply with a CPN, it is proposed that the council issue fixed penalties for £100. This is the maximum figure set out in the legislation. It is also proposed that there is no option for a reduced rate for early payment. Offenders will be given 14 days to pay the FPN. This is in line with the timings for payment of fixed penalties issued by the council under other legislation for example fixed penalties issued for littering offences under the Environmental Protection Act 1990. The rate of £100 is higher than the rate for fixed penalties issued by the council for littering and dog fouling which is £50. It is felt that the behaviour warranting the service of a CPN is behaviour of a more complex nature and will require more officer time to investigate than other FPN related offences. In addition, under the CPN process the perpetrator will already have been formally warned regarding behaviour before the Notice is issued and so by the time the FPN is served the behaviour will have been repeated meriting a higher penalty.

1.27 The impact that a CPN will have on the council is likely to be a medium impact as it depends on the evidence that has been available and gathered by the investigating officers. The CPN replaces some powers under the Environmental Protection Act 1990 in respect of street clearance and litter clearance notices so will simply replace the work officers currently undertake in relation to that. The CPN is a useful tool for low level anti-social behaviour and is something the council is likely to utilise.

1.28 **Public Spaces Protection Order**

Public Spaces Protection Order (PSPO) are intended to deal with a particular nuisance or problem in a particular area that is detrimental to the local community's quality of life. This can be done by imposing conditions on the use of that area which apply to everyone. They are designed to ensure the law-abiding majority can use and enjoy public spaces, safe from anti-social behaviour. The PSPO can be applied on any land which members of the public have access. This includes car parks, shopping malls and parks. District and Borough councils are the lead agency responsible for the orders although enforcement powers will be broader. Parish councils will not be able to make a PSPO.

1.29 The PSPOs are designed to be broad and focus on the impact anti-social behaviour has on victims and communities. A PSPO can be made by the council if they are satisfied on reasonable grounds that the anti-social behaviour/activities that are being carried out, or likely to be carried out in a public place:

- have had, or likely to have a detrimental effect on the quality of life of those in the locality
- is, or is likely to be persistent or continuing in nature
- is, or likely to be unreasonable and
- justifies the restriction imposed.

1.30 When considering a PSPO the council must consult with police via the Chief of police officer and PCC, however, the details can be agreed by working with local leads. Also any community representative groups should be consulted, if they are directly affected, for example a local resident association.

1.31 Multiple restrictions and requirements can be included in the PSPO, the order can prohibit certain activities, for example, drinking alcohol, can also place requirements on individuals carrying out certain activities, for example, keeping dogs on a lead. The order can also be used to restrict access to public rights of way. The order is to be designed to reflect local issues and to make public spaces more accessible to the law abiding majority, and not used simply to restrict access. The order can last for a maximum of 3 years but can be shorter. The council can extend the order by a further 3 years if necessary but the consultation process should take place again.

1.32 It is an offence to breach the terms of the PSPO without reasonable excuse. Depending on the behaviour, the enforcing officer (who can be police officer, police community support officer, council officer or a designated person) could decide if a FPN is suitable. The levels of fixed penalty in relation to such offences are not proposed to be fixed at this time as no such orders are in place. Any appeal of an order can be made to the High Court by an interested person within six weeks of the order being made.

1.33 The impact that the PSPO may have on the council is assessed as low/medium and will be dependent on the numbers considered and their complexity.

1.34 **Closure Power**

The Closure Power is a fast, flexible power that can be used to protect victims and communities by quickly closing premises that are causing nuisance or disorder. This power is in two parts. The Notice which is issued in the first instance for 24 hours by the council or police (can be extended to 48 hours by Chief Executive or Police Superintendent). The Notice cannot prohibit the residents of the property from residing at the address however, the order can. The application for an order has to be made to the Magistrates' Court with every issue of a Closure Notice. The courts are required to hear an application within 48 hours of serving the notice, unless the Notice has been cancelled.

1.35 A Closure Notice can be issued for 24 hours if the council or police officer (at least Inspector) is satisfied on reasonable grounds:

- that the use of a particular premises has resulted, (if the notice is not issued) is likely to result in nuisance to members of the public; or
- that there has been, or (if the notice is not issued) is likely soon to be, disorder near those premises associated with the use of those premises and that the notice is necessary to prevent the nuisance or disorder from continuing, recurring or occurring.

1.36 A Closure Order remaining in force for up to 6 months can be subsequently issued if the Court is satisfied:

- that a person has engaged, or (if the order is not made) is likely to engage, in disorderly, offensive or criminal behaviour on the premises; or
- that the use of the premises has resulted, or (if the order is not made) is likely to result in serious nuisance to members of the public; or
- that there has been, or (if the order is not made) is likely to be disorder near those premises associated with the use of those premises, and that the order is necessary to prevent the behaviour, nuisance or disorder from continuing, recurring or occurring.

1.37 Consultation is required as part of the Closure Notice. The police and the council must ensure that they consult with appropriate people/agencies. This includes any persons or agencies that will be affected by the closure of the property. An offence is committed when a person, without reasonable excuse, remains on or enters premises in contravention of a Closure Notice or order. A Closure Notice cannot be appealed but a Closure Order can be appealed to the Crown Court within 21 days beginning with the date of the decision to make the Closure Order.

1.38 The Closure Powers will have a minimal impact on the council as, historically; similar powers under other legislative frameworks have been rarely used.

1.39 **Dispersal Power**

The Dispersal Power (DP) is a police power that is designed to be flexible so the police can use the power in a range of situations to disperse individuals that are acting in an anti-social manner and to provide an immediate short-term respite to the local community.

1.40 The DP is a preventative tool as it allows a police officer to deal with an individual's behaviour straight away before it escalates. In areas where there is a regular issue, the police force should work with the council to find a sustainable long-term solution. The impact of the DP should always be commensurate to the impact that it may have on the local community.

1.41 The DP is to be used by police officers in uniform and also police community support officer (if designated to use the power by the Chief Constable). The use of the DP must be authorised by a police officer of at least the rank of Inspector before use. The Inspector (or above) must record the authorisation in writing, stating the grounds on which the DP is given and sign the authorisation. The decision should be objective, may include local knowledge of the area and intelligence that there is likely to be problems at a specific time. The impact on the wider community should also be considered. The written authorisation may be admitted in evidence if the making of the authorisation is in dispute. The authorising police officer must have regard to Articles 10 and 11 of the European Convention on Human Rights that provide the right for lawful freedom of expression and freedom of assembly.

1.42 Where practical the authorising police officer may wish to consult with the council or community representatives before making the authorisation.

1.43 When a police officer or police community support officer (where designated) gives an individual the direction to leave, the direction must be given in writing, unless that is not reasonable practicable. All the necessary information must be included in the direction and the officer must ensure that the individual understands the information provided.

1.44 When an officer is dispersing a young person over the age of 10 years and under the age of 16 years, the officer can take them home or to another place of safety under the provisions of the Children's Act 2004.

1.45 The officer can require the individual given the direction to hand over property that is causing or likely to cause anti-social behaviour. This item could be anything but likely examples include alcohol, fireworks or spray paints. The officer does not have the power to seize the item, however, it is an offence for the individual not to hand over the item when requested to do so.

1.46 The DP is likely to have minimal impact on the council as it is a police power.

1.47 **New Absolute Ground for Possession**

The purpose of the New Absolute Ground for Possession (NAGP) is to speed up the possession process in cases where anti-social behaviour or criminality has already been proven by another court. The NAGP is available for secure and assured tenancies which will allow both social landlords, local authority/housing associations and private rented sector landlords to use the Absolute Ground.

1.48 Private landlords are likely to generally use the 'no fault' ground for possession, in section 21 of the Housing Act 1988, where this is available. However, this can only be used at the end of the fixed term of the tenancy, which must be at six months from the initial inception of the tenancy. The

NAGP should assist private rented sector landlords to end tenancies quickly in cases of serious anti-social behaviour or criminality that occur during the fixed term of an assured short-hold tenancy.

1.49 The court must grant possession (subject to any available human rights defence raised by the tenant, including proportionality) provided the landlord has followed the correct procedure and at least one of the following five conditions is met:

- the tenant, a member of the tenant's household, or person visiting the property has been convicted of a serious offence;
- the tenant, a member of the tenant's household, or person visiting the property has been found by a court to have breached a civil injunction;
- the tenant, a member of the tenant's household, or person visiting the property has been convicted of breaching a Criminal Behaviour Order;
- the tenant's property has been closed for more than 48 hours under a Closure Order for anti-social behaviour; or
- the tenant, a member of the tenant's household, or person visiting the property has been convicted for breaching a Noise Abatement Notice or Order.

The offence or anti-social conduct must have been committed in, or in the locality of, the property, affected a person with the right to live in the locality of the property or affected the landlord or the landlord's staff or contractors.

1.50 The NAGP is a landlord power so will have minimal impact on the council.

1.51 **Partnership Working**

Across the county, partner agencies have worked together over the past 12 months to apply a common, joined up approach to the implementation of this new legislation. By approaching it in this way, call handling, risk assessments, data sharing and case management practices can be more standardised.

Proposal

2.1 It is requested that Members note the new tools and powers introduced by the Anti-Social Behaviour, Crime and Policing Act 2014.

2.2 That Members delegate all functions and responsibilities under the Anti-Social Behaviour, Crime and Policing Act 2014 and any regulations made thereunder to the Corporate Director.

2.3 That Members authorise the Corporate Director in consultation with the Council Solicitor and Monitoring Officer to authorise legal proceedings under the Anti-Social Behaviour, Crime and Policing Act 2014.

2.4 That Members agree a fixed penalty level of £100 payable within 14 days of service of a FPN for failing to comply with a Community Protection

Notice issued by the council.

2.5 To propose that once the new Anti-Social Behaviour, Crime and Policing Act 2014 has been in force for approximately six months officers will report back to Members in relation to whether to designate powers to social landlords to issue Community Protection Notices with regards to their residents. An example where the social landlords could use the power would be to instruct tenants to clear their gardens.

Alternative Options

3 The alternative option is that Members do not delegate functions under the new legislation to the Corporate Director who could then effectively delegate responsibilities to the appropriate officers. This would not ensure efficient decision making and would lead to the Executive being overwhelmed by a large number of operational matters.

Members could also approve a lower fixed penalty level than £100 for issuing a fixed penalty for failing to comply with a Community Protection Notice but this would not reflect the gravity of the offence or the investigative time required in such matters. Members could decide on a reduced rate if payment of a fixed penalty is made within a specified period but this would not be in line with the council's current processes and procedures for the payment of FPNs for littering and dog fouling offences.

Members could designate social landlords now to issue FPNs for failing to comply with Community Protection Notices. It is felt that this would be too soon and a review is required to see how the new legislation is affecting social landlords, whether the designation would be necessary and ensure those designated have the appropriate training to ensure Community Protection Notices are issued correctly and all the necessary evidential requirements are met.

Financial Implications

4.1 There will be minimal financial implications for Public Protection Service as the officers will adopt the new tools and powers available in the Anti-Social Behaviour, Crime and Policing Act 2014 into their day to day working practices. There may be additional legal costs if there are a significant number of applications for injunctions to the County Court or a number of prosecutions and appeals dealt with under the new legislation at the Magistrates' Court. It is unclear at this stage and until the authority start utilising the legislation the likely level of costs to be incurred and the impact on resources in both Public Protection and the Legal Department.

Appendices

5.1 Community Remedy Document – Appendix 1

Background Papers

6 Anti-Social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers. Statutory guidance for frontline professionals. July 2014.

Recommendation(s)

7.1 That Members note the new tools and powers introduced by the Anti-Social Behaviour, Crime and Policing Act 2014

7.2 That Members delegate all functions and responsibilities under the Anti-Social Behaviour, Crime and Policing Act 2014 and any regulations made thereunder to the Corporate Director.

7.3 That Members authorise the Corporate Director in consultation with the council Solicitor and Monitoring Officer to authorise legal proceedings under the Anti-Social Behaviour, Crime and Policing Act 2014.

7.4 That Members approve a fixed penalty level of £100 payable within 14 days of service of a FPN for failing to comply with a Community Protection Notice

7.5 That Members agree a formal review of the tools and powers after a 6 month implementation period.

Reasons for Recommendations

8.1 There are significant changes to how agencies tackle anti-social behaviour in the new Anti-Social Behaviour, Crime and Policing Act 2014 which replaces powers in the Anti-Social Behaviour Act 2003. Members need to be made aware of these new tools and powers and how they will impact upon how the council tackles anti-social behaviour.

8.2 To ensure efficient decision making and to ensure the Executive are not overwhelmed with a large number operational matters.

8.3 To ensure efficient decision making and to ensure any proceedings brought are legally sound.

8.4 To ensure the level of FPN is appropriate to the offending involved and to keep the time for payment of FPNs under this legislation in line with the council's current processes and procedures for the payment of FPNs.

5.1 Appendix

Community Remedy Document – Appendix 1.

This document is produced by the Police and Crime Commissioner to provide guidance on what remedies are available to perpetrators of anti-social behaviour.

6 Background Papers

Anti-Social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers.

Statutory guidance for frontline professionals.

July 2014.

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Gedling Borough Council

Report to Cabinet

Subject: Sale of land at Teal Close, Netherfield

Date: 13 November 2014

Author: Estates Surveyor

Wards Affected

1 Netherfield

Purpose

2 To seek approval to enter into an agreement (Landowner Agreement) that sets out the terms on which the Council and the adjoining landowner (Midlands Land Portfolio Limited (MLPL)) and the promoter (Northern Trust (NT)) will jointly dispose of the residential element of land at Teal Close, Netherfield (the Residential Land) within planning permission 2013/0546 (Planning Permission) to include the local centre, school site, open space etc. The Residential Land is all land shown approximately hatched red and blue on the plan at Appendix 1 other then the employment use land which is shown approximately coloured green.

3 To seek approval to jointly market and sell the Residential Land of which the Council's land (Council's Land) forms part. The Council's Land is shown approximately edged red on the Plan at Appendix 1.

4 To seek approval to dispose of the Council's Land without utilising the tender process as set out in the Standing Orders for Dealings with Land.

5 To obtain delegated authority to enable the Corporate Director in consultation with the Portfolio Holder for the Environment to agree the final terms of a landowner agreement (Landowner Agreement); and

6 To obtain delegated authority to enable the Corporate Director in consultation with the Portfolio Holder for the Environment to agree the final sale price at no less than the minimum price (Minimum Price).

Key Decision

7 This is a Key Decision.

Further information on the subject of this report is available from
Katie Cafferkey, Estates Surveyor on (0115) 901 3892

Background

8 Some information relating to this report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. Having regard to the circumstances, on balance, the public interest in disclosing the information does not outweigh the public interest in maintaining the exemption because divulging the information would significantly damage the Council's commercial interests. The exempt information is set out in the exempt appendix.

9 The Council's Land is currently used as football pitches and is let on licence set to expire on 31 August 2015 to Gedling Town Youth and Ladies Football Club.

10 The Council's Land forms a minority part of a larger area that has the benefit of Planning Permission for comprehensive mixed use development. The majority of the land within the consent is owned by MLPL – a joint venture company between Severn Trent Water and Northern Trust. The land owned by MLPL (MLPL Land) is shown approximately hatched blue on the plan at Appendix 1.

11 MLPL have funded and secured Planning Permission in respect of the Council's Land and MLPL Land for 830 dwellings, 8.41 hectares of employment land together with a local centre, community building, a school site and extensive areas of open space to include re-provision of the football pitches. The current masterplan for the overall scheme is shown at Appendix 2.

12 Currently there is no formal agreement in place between the Council and MLPL that sets out the way in which net sale proceeds are to be shared between the parties on the sale of the land; nor how promotion and sale costs are to be split. MLPL have forward funded the Council's share of the promotion costs to date at its risk.

13 Following the grant of Planning Permission MLPL approached the Council seeking to agree terms for the joint sale of the Residential Land - all land within the Planning Permission excluding that allocated for employment uses. The employment use land is shown coloured green on the plan at Appendix 1.

14 The Council has retained consultants to advise in respect of this approach.

15 Negotiations between the parties for the terms of a Landowner Agreement that covers the basis upon which the parties share eventual sale proceeds and contribute towards historic and ongoing costs of promotion and disposal are substantially complete.

16 The principal heads of terms for the agreement are contained within a separate Exempt Appendix. There are a small number of matters still being negotiated.

17 The current marketing strategy is to sell the Residential Land in one or more lots depending on the market's appetite for a development of this scale. The heads of

terms for the Landowner Agreement make provision for either party to terminate the agreement in the event that the overall gross value falls below a Minimum Price, details of which are set out in the Exempt Appendix.

18 Council Standing Orders for dealings with Land state:

The Executive shall consult with the Chairman of the Overview and Scrutiny Committee and ward members before making any decision to dispose of any land or property other than the sale of council houses to sitting tenants pursuant to the right to buy.

The Chairman of the Overview and Scrutiny Committee and ward members have been consulted in accordance with the above and no comments on the proposals have been received.

Council Standing Orders also state that:

In the case of the disposal of real property other than a house or houses and where the Corporate Director assesses the value of such property to be less than £20,000 he shall adopt such method of disposal as appears to him to be appropriate in the circumstances.

In the case of the disposal of any other real property the sale shall be effected by tender in accordance with the following tender procedure unless the relevant Cabinet member authorises a different method of disposal after consultation with the Chairman of the Overview and Scrutiny Committee.

As this is a disposal of real property other than a house for a value higher than £20,000 and the method of sale is one that does not strictly follow the Council's tender procedure, the Chairman of the Overview and Scrutiny Committee has been consulted about the method of disposal and has made no comment.

Proposal

19 It is proposed:

(a) that the Council enters into a Landowner's Agreement with MLPL to jointly sell the Residential Land. The reasons for taking this approach are set out in the Exempt Appendix.

(b) that the Council's Land be sold on the open market as part of the Residential Land for a price at or in excess of the Minimum Price and the Corporate Director in consultation with the Portfolio Holder for Environment will agree the final sale price.

(c) that the disposal is carried out by a marketing agent appointed jointly by the Council and MLPL instead of following the tender process set out in the Standing Orders for Dealings with Land.

A strict adherence to the Standing Orders is considered impractical in the current circumstances where Council land is being disposed of in conjunction with third party land – particularly when the Council's land is the minority holding. The Landowner Agreement, however, is based on a marketing strategy that is consistent with the ethos of the Standing Orders and envisages the parties jointly appointing a marketing agent, agreeing a marketing strategy and it provides the Council with the ability to appoint a monitoring agent to oversee the marketing process on their behalf. That monitoring agent will be present when the offers for the land are opened. The Corporate Director will agree an appropriate marketing agent with MLPL and will be responsible for the appointment of the agent on behalf of the Council.

(d) that the terms upon which the Council enters into the Landowner Agreement are broadly as set out in the Heads of Terms documents contained within the Exempt Appendix

(e) that the Corporate Director in consultation with the Portfolio Holder for the Environment be authorised to agree the final terms for the Landowner Agreement

20 The basic terms of the Landowner Agreement are

- joint sale of the Residential Land only through a jointly appointed marketing agent
- net sale proceeds (after deduction of promotion and disposal costs) to be shared according to each party's contribution to the net developable area of the Residential Land
- the Council's share of net sale proceeds to be discounted to reflect a number of issues including potential ransom and a return to the promoter for taking the risk of promoting the Council's Land through the planning process

Alternative Options

21 An alternative option would be to not sell the Council's Land and continue its use as football pitches. As there is going to be alternative provision within the overall development proposals and the current pitches will not be decommissioned until the alternative pitches are ready for use, it is considered that there is no sound reason not to sell on this basis.

22 Further alternatives are explored in the Exempt Appendix.

Financial Implications

23 The costs associated with negotiating and completing the proposed Landowners Agreement are provisionally estimated at £25,000 plus VAT

24 There is only a nominal income stream from the Land at present by way of a licence fee from Gedling Town Youth and Ladies Football Club

25 Further financial implications are set out in the Exempt Appendix

Appendices

Appendix 1 Plan showing the Council's Land hatched red, the MLPL Land hatched blue, the Residential Land hatched red and blue but excluding that coloured green

Appendix 2 Current masterplan of the development proposals

Appendix 3 Exempt Appendix NOT FOR PUBLICATION

Background Papers

None identified.

Recommendation

26 **THAT:**

(a) the Council enters into a Landowners Agreement with MLPL/NT to facilitate the sale of the Residential Land and sets out the way in which the net sale proceeds are shared between the parties and the historic and current costs of promotion and disposal are split

(b) the Council's Land is marketed as part of the Residential Land by a marketing agent appointed jointly by the Council and MLPL instead of following the tender process set out in the Council's Standing Orders for Dealings with Land. The corporate Director be authorised to agree the appointment of the said agent on behalf of the Council.

(c) the Corporate Director in consultation with the Portfolio Holder for the Environment be authorised to agree the final Heads of Terms for the Landowner Agreement

(d) the Corporate Director in consultation with the Portfolio Holder for the Environment be authorised to agree the final sale price at no less than the Minimum Price

Reasons for Recommendations

27 The reasons for these recommendations are as follows:

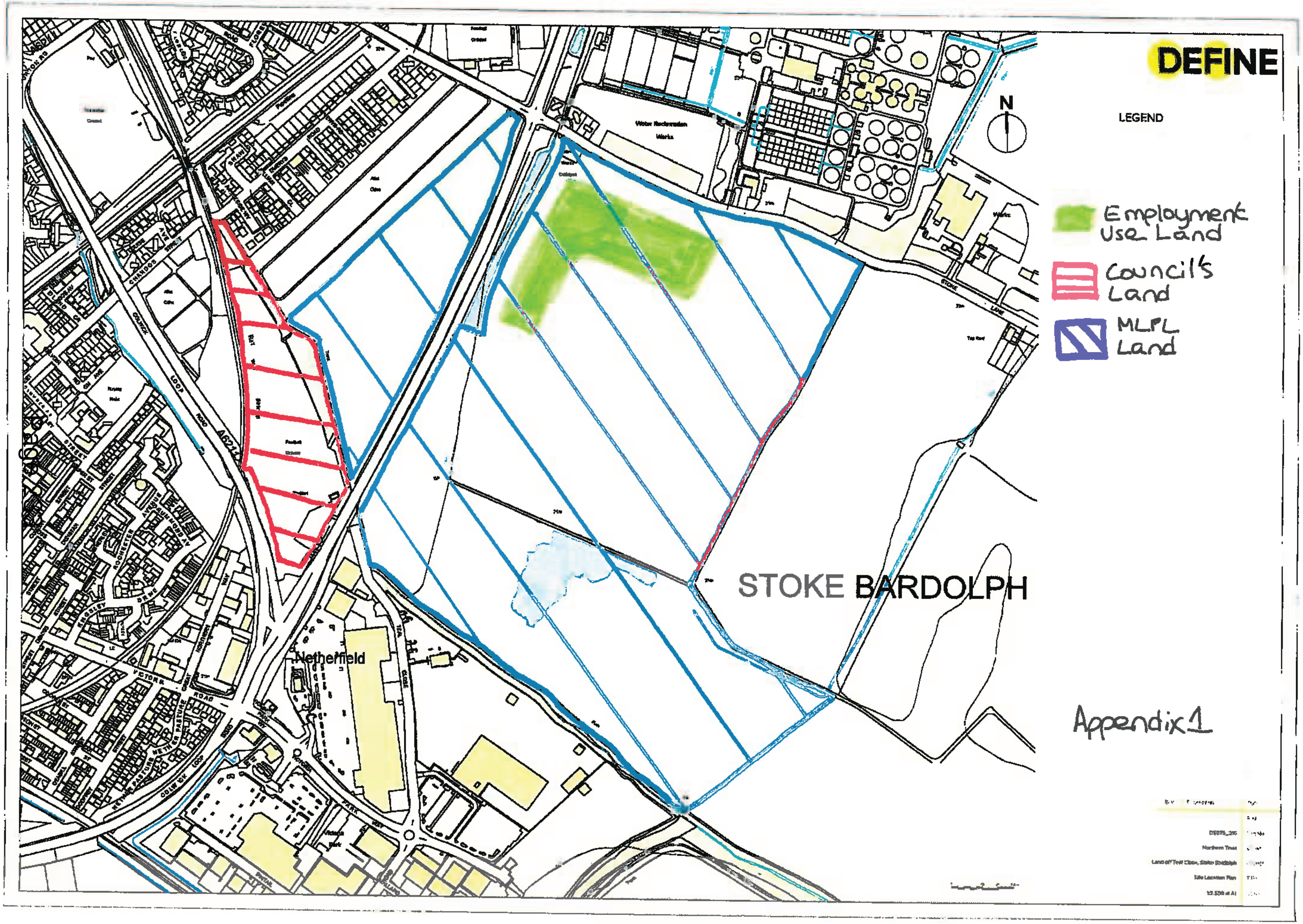
(a) the proposed Landowner Agreement is considered to offer the most practical way of securing development value for the Council Land and maximising the return for its asset

(b) in situations where land is jointly disposed of, strict adherence to the Council's Standing Orders can be impractical but the proposed marketing process is consistent with the ethos of those Standing Orders

(c) the Heads of Terms are not yet finalised and it is possible that some negotiated variations will prove necessary during the process of agreeing the drafting of the Legal Agreement

(d) the final sale price will be the result of the marketing strategy envisaged by the Landowner Agreement and agreed between the parties. Provided the gross sale price exceeds the Minimum Price the Council will be required to sell the Council's Land

(e) a sale will contribute to the Council's building new houses target



DEFINE
LEGEND
N
Employment Use Land
Council's Land
MLPL Land
STOKE BARDOLPH
Netherfield
Appendix 1

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DEFINE

Appendix 2

C	Rev
DE048_010	Drg No
Northern Trust	Client
Land off Teal Close, Stoke Bardolph	Project
Illustrative Masterplan	Title
1:5000 @ A3	Scale

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Report to Cabinet

Subject: Forward Plan

Date: 13 November 2014

Author: Service Manager, Elections and Members' Services

Wards Affected

Borough-wide.

Purpose

To present the Executive's draft Forward Plan for the next four month period.

Key Decision

This is not a Key Decision.

Background

1 The Council is required by law to give to give notice of key decisions that are scheduled to be taken by the Executive.

A key decision is one which is financially significant, in terms of spending or savings, for the service or function concerned (more than £500,000), or which will have a significant impact on communities, in two or more wards in the Borough.

In the interests of effective coordination and public transparency, the plan includes any item that is likely to require an Executive decision of the Council, Cabinet or Cabinet Member (whether a key decision or not). The Forward Plan covers the following 4 months and must be updated on a rolling monthly basis. All items have been discussed and approved by the Senior Leadership Team.

Proposal

2 The Forward Plan is ultimately the responsibility of the Leader and Cabinet as it contains Executive business due for decision. The Plan is therefore presented at this meeting to give Cabinet the opportunity to discuss, amend or delete any item that is listed.

Alternative Options

3.1 Cabinet could decide not agree with any of the items are suggested for inclusion in the plan. This would then be referred back to the Senior Leadership Team.

3.2 Cabinet could decide to move the date for consideration of any item.

Financial Implications

4 There are no financial implications directly arising from this report.

Appendices

5 Appendix 1 – Forward Plan

Background Papers

6 None identified.

Recommendation(s)

It is recommended THAT Cabinet note the contents of the draft Forward Plan making comments where appropriate.

Reasons for Recommendations

7 To promote the items that are due for decision by Gedling Borough Council's Executive over the following four month period.

Gedling Borough Council

Forward Plan for the period December 2014 - March 2015

Issue	Key Decision or Council Decision?	Who will decide and date of decision	Documents to be considered (only applicable to executive Key decisions)	Who will be consulted?	From whom can further information be obtained and representations made?
Sustainability Progress Review	Not Key	Cabinet 18 December 2014		n/a	Stephen Bray, Corporate Director stephen.bray@gedling.gov.uk
Action Plan for Killisick	Not Key	Cabinet 18 December 2014	Action Plan for Killisick		Alison Bennett, Service Manager, Housing and Localities alison.bennett@gedling.gov.uk
Update on the Newstead Locality Plan	Not Key	Cabinet 18 December 2014	Update on the Newstead Locality Plan		Alison Bennett, Service Manager, Housing and Localities alison.bennett@gedling.gov.uk

Issue	Key Decision or Council Decision?	Who will decide and date of decision	Documents to be considered (only applicable to executive Key decisions)	Who will be consulted?	From whom can further information be obtained and representations made?
Update on the Netherfield Locality Plan	Not Key	Cabinet 18 December 2014	Update on the Netherfield Locality Plan		Alison Bennett, Service Manager, Housing and Localities alison.bennett@gedling.gov.uk
Quarter 3 Budget and Performance	Key	Cabinet 12 February 2015		n/a	Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk
Quarter 4 Budget and Performance	Key	Cabinet June 2015		n/a	Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk