



The Planning Inspectorate

Report to Sheffield City Council

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an Examiner appointed by the Council

Date: 25 February 2015

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT SHEFFIELD COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 17 October 2014

Examination hearings held between 6 January 2015 and 7 January 2015

File Ref: PINS/J4423/429/6

Non Technical Summary

This report concludes that the Sheffield Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The Council has sufficient evidence to support the schedule and can show that the levy is set at a level that will not put the overall development of the area at risk.

Modifications are needed to meet the statutory requirements. These can be summarised as follows:

- Residential Zone 2 East should be Nil rated
- Ancillary car parking for retail development should be exempted
- The charge for Out of Town Leisure and the associated footnote definition should be deleted such that leisure development in any location would become one of the 'All Other Uses' that are to be Nil rated

The specified modifications recommended in this report are based on matters discussed during the public hearing sessions and do not alter the basis of the Council's overall approach or the appropriate balance achieved.

Introduction

1. This report contains my assessment of the Sheffield Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance (Community Infrastructure Levy Guidance –June 2014).
2. To comply with the relevant legislation the local charging authority has to submit a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the district. The basis for the examination on which hearings sessions were held is the submitted Draft Charging Schedule as Revised in August 2014, which is the document published for public consultation between 29 August 2014 and 28 September 2014.
3. The Council proposes a matrix approach including differing CIL rates for new housing, retail, hotels, 'out of town' leisure and student accommodation. The rates for housing development would vary as between 5 zones defined on an Ordnance Survey (OS) map base. The residential charge would exclude retirement/extra care/sheltered housing or assisted living housing. The rates for Class A1 retail development would apply to all such development within 2 small defined zones (City Centre Prime Retail Area and Meadowhall Prime Retail Area) as also defined on an OS base with different charges in each zone. A charge would also apply to major retail schemes which are defined as superstores and retail warehouses with a floorspace of 3,000 sqm gross or

more. A footnote to the schedule provides that the latter charge would apply everywhere except within the 2 prime retail areas where the rate applicable to that retail area would apply instead. The draft schedule proposes separate rates for hotel development and for student accommodation in any location. A rate for a limited selection of 'out of town' leisure facilities is also proposed. Industry, offices and all remaining uses would attract a nil charge rate wherever they are located in the city.

Is the charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

4. The Sheffield Development Framework Core Strategy (CS) was adopted in 2009 to cover the period until 2026 but is expected to be replaced at an earlier date. It sets out the main elements of growth that will need to be supported by further infrastructure. The submitted Background Report (Ref SUPP005) lists at paragraph 3.11 onwards the strategic objectives of the Core Strategy that will be delivered at least in part using CIL funds.
5. The Core Strategy lacks detail of specific infrastructure requirements. However in September 2013 the Council concluded consultation on a pre-submission draft of the City Policies and Sites Development Plan Document. That included a draft Policy A1. That policy has not been adopted but it is a material consideration in the determination of infrastructure priorities pending the anticipated replacement of the Core Strategy by a new Local Plan. A Review of the Charging Schedule would be necessary as and when a replacement Local Plan is proposed in order to support its revised strategy and infrastructure needs. It is not currently anticipated by the Council that the Local Plan will be adopted before 2018.
6. A Phase One draft of an Infrastructure Delivery Plan (IDP) (March 2014) (SUPP010) has been prepared which includes an Infrastructure Needs Assessment and an Infrastructure Funding Gap Statement. The IDP identifies an investment shortfall of £151 million for strategic projects in the period 2015-2020. The identified priorities for CIL funding are education, transport (particularly public transport), public realm improvements to deliver the City Centre Masterplan, and open space including new District/City Parks. Further detail of specific schemes is provided on the Draft Interim Regulation 123 List (SUPP006).
7. Over the last 10 years Section 106 receipts have averaged about £1.5m per annum. The Council points out that this is well below the national average relative to the size of the city's population. CIL receipts are expected to raise £4-£5m annually and would partially replace S106 contributions.
8. In the light of the information provided, whilst the proposed charge would significantly increase the funds available for infrastructure investment it would make only a modest contribution towards filling the likely funding gap. The figures demonstrate the need to levy CIL but other funding sources will also be

needed including some Section 106 contributions, especially those related to site specific infrastructure requirements.

9. The draft Charging Schedule is supported by evidence of community infrastructure needs. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate.

Economic viability evidence

10. The Council commissioned a CIL Viability Study (SUPP001 and SUPP002), which was updated in February 2014. Some further viability evidence was produced in response to representations and to questions posed at the hearings. This evidence is referred to here collectively as the VS. The assessment uses a residual valuation approach, deducting the total costs of development from its Gross Development Value (GDV) to calculate a residual land value.
11. The VS used reasonable standard assumptions for a range of factors such as Building Cost Information Service (BCIS) building costs (including Code for Sustainable Homes requirements). It generally assumes a 20% profit level and 10% professional fees. The model used relevant local data on existing land values and likely sale prices based on a range of sites across the area.
12. It was confirmed at the hearing that a reference to unrealistically high housing densities of 100 dwellings per hectare for Site Type 7 in Table 4.9.2 was a typographic error as this site type was for flatted development and not houses. Gross and net developable areas were assumed to be the same. That is not unreasonable as the sites are mostly urban in character and would be developed at medium to high densities.
13. A range of alternative affordable housing targets were tested with the final schedule rates for each CIL zone based on the targets since confirmed in the Council's published guidance. The tenure split for affordable housing was assumed to be 50% rented and 50% intermediate.
14. The VS compared the identified residual land values with benchmark land values (BLV) based on the current use value or alternative use value of various site types. It is to be expected that a landowner would need a financial or other incentive to release a site from its existing use. Circumstances will vary but the VS makes a blanket assumption that at least a 20% premium over the BLV would be needed. That is the uplift in value compared to the current use value or the value of an alternative use to which the land could already be put. That 20% uplift is a reasonable assumption in a city where the Core Strategy seeks to achieve almost all development on previously developed brownfield sites rather than undeveloped greenfield sites.
15. My attention was drawn to one example of a Section 78 planning appeal decision [Ref: APP/X0360/A/12/2179141] in January 2013 in Wokingham District where an Inspector had supported an assumed 50% uplift in values.

However it is clear from reading that decision that a choice was being made between 2 widely disparate positions presented by the appeal parties of either a 0% increase (which would provide no incentive to the landowner to release the land) and a 50% uplift. It is notable that the Examiner for the subsequent CIL Report for Wokingham District in October 2014 supported only a 20% uplift for brownfield development sites [Ref: PINS/LDF001575].

16. For the residential analysis 4 benchmark land values (BLV) were used. BLV1 and BLV2 are based on Valuation Office Agency (VOA) figures for residential land values in higher or lower value areas of the city. These VOA figures assume cleared and serviced sites with planning permission. However because the VS assumes that they would not have planning permission a 30%-50% discount has been applied for planning risk. There must be an element of risk when considering sites that do not yet have planning permission and which may or may not subsequently be found suitable for residential development rather than another use. The degree of risk will vary, including the risk of scheme delays due to planning disputes. A level open site in the middle of an existing residential area would attract less risk than a more constrained site within an area of industrial or commercial use. But in the absence of specific examples, for which evidence is unlikely to be readily available, the application of this discount is not unreasonable.
17. BLV3 represents lower value secondary and redundant industrial space. Some Representors have suggested that the assumed benchmark value for industrial land is too low. However the market evidence on which they rely appears to relate to higher quality industrial space for which there is an active demand from high value business occupiers and which is unlikely to be brought forward (or permitted) for residential development.
18. BLV4 represents land that was previously developed (typically as public housing) but which has since been cleared. It is also used as a surrogate for greenfield land which is however rare within the city. Whilst some Representors are seeking to promote greenfield development on the edge of the city to address a housing shortage, that is not allowed for by the present Core Strategy where such sites are currently designated as Green Belt. It is thus reasonable here not to include a benchmark figure for such previously undeveloped greenfield land without services. Neither has the Council identified the infrastructure needs for such development which would need to await a change in strategy.
19. For residential development the Viability Study at Table 4.37.1 assumed a 20% profit on Gross Development Values (GDV) for private housing and a 6% profit on GDV for affordable housing. Whilst it has been disputed by some Representors, that differential is justified because the affordable housing element of a mixed development is likely to be sold in a block early in the development process with consequently much reduced risk for the developer.

Conclusion

20. The DCS is supported by evidence regarding both community infrastructure

needs and viability. Although some Representors are critical of specific assumptions in the VS these criticisms are either not justified or they would not materially affect overall viability and the development strategy. Overall I consider the evidence which has been used to inform the Charging Schedule to be robust, proportionate and appropriate.

Are the charging rates informed by and consistent with the evidence?

CIL rates for residential development

Affordable Housing

21. The viability appraisals necessarily considered what impact policies to provide affordable housing may have on the viability of residential development and its ability to support CIL contributions. The Core Strategy Policy CS40 which seeks affordable housing does not specify a target proportion. The target 40% referred to only in the reasoned justification to that policy was taken from a Regional Spatial Strategy that has since been withdrawn. Neither has that target generally been achieved in recent years. Grants are not now generally available to subsidise such development. The CS Policy does allow for consideration of viability issues such that requirements may vary. In the circumstances the VS assumed varying percentage requirements of between 0% and 30% in each charging zone. The same requirements have since been included in Affordable Housing Interim Planning Guidance issued in August 2014 and adopted by the Council. These are thus reasonable assumptions.
22. One implication for the CIL rate in areas with a nil affordable housing requirement is that there would be less flexibility to adjust affordable housing provision to address specific viability issues. However other measures such as Exceptional Circumstances Relief could still be adopted which could allow for some flexibility should viability issues be significantly impeding necessary development. It is for the Council to determine whether to offer such relief.

Residential Zones Charging Rates

23. The VS had concluded that the ability of residential schemes to make CIL contributions varies depending on area, the current use of the site, and the quantum of affordable housing that the Council would seek. The Charging Schedule therefore proposes 5 different charging rates for residential development ranging from a Nil rate in Zone 1 – North East to a rate of £80 per square metre in Zone 5 – South West.
24. In both Zones 1 and 2, and notwithstanding that the Council would not seek affordable housing as part of developments in either area, the VS concluded that residential development is currently unviable. The VS text recommended a 'nil or nominal rate' in both Zones. However the text did not explain why Table 7.4.1 of the VS proposed the different rates in these 2 areas that were subsequently adopted in the Draft Charging Schedule. The Draft Schedule proposes a nil rate in Zone 1 – North East but a £10 psm rate in Zone 2 – East.

25. As justification for that £10 rate the Council's Background Report (SUPP005) referred firstly to S106 payments that had been made in the past in this area as indicating 'some marginal viability'. The most recent and largest housing development in the East (Ref: 11/01511/FUL) made a significant contribution to open space provision as a S106 payment (one of the largest of all S106 payments in the city). The Council advised at the hearing that such a payment would not be required in the future because there would be CIL funding of shared open space provision.
26. Secondly the Council referred to the VS as suggesting that: '*levying a modest CIL on developments of this type is unlikely to prevent them coming forward when values recover.*' However the Viability Study (SUPP001) was intended to reflect current market conditions. Whilst there was some anecdotal evidence at the hearings that average sales values in Sheffield may have increased since the VS was carried out, this evidence was limited and there was no substantive evidence that values had risen in Zone 2.
27. If residential development would not be viable in a zone with or without CIL, then a CIL charge would not of itself affect viability as no development would be likely to come forward in any event. However if development is marginally viable then a CIL charge could have the effect of deterring development, particularly as there would be no buffer between a maximum CIL rate and the proposed charge. That one development has previously gone forward whilst making a large S106 contribution does not demonstrate that the circumstances were typical for the area. There may have been specific considerations which made that development different from those developments modelled by the VS which were found not to be viable.
28. It is concluded that whilst the evidence does justify the proposed charging rates in the other Zones 3-5, and the nil rate in Zone 1, there is insufficient evidence to justify a CIL charge in Zone 2. To impose a charge in that zone without such evidence would create a general risk to the viability of otherwise marginally viable development, particularly as this area is also demonstrated to be unviable for affordable housing.

CIL rates for Student Housing

29. The Draft Charging Schedule proposes a £30 psm charge for student accommodation. The VS had concluded that an assumed rent of £120 per week would allow a maximum CIL of £56 psm.
30. Some Councils have applied a CIL charge to student accommodation whilst others have not. However viability may vary between different Council areas and thus direct comparisons are not appropriate.
31. The assumed rent has not been disputed by the University of Sheffield which made other representations on this issue. There is no evidence that the charge would render development unviable or to substantiate claims by the University that the quality of accommodation provided would suffer such that students would be deterred from studying in Sheffield.

32. New student accommodation may be provided directly by the educational institutions or by commercial landlords. There is no basis on which the charging schedule could discriminate between different types of developer. However the regulations do provide for exemptions from charges for charitable institutions in some circumstances. Whilst the educational institutions may be charities it is not for me to determine whether the provision of student accommodation would so qualify.

CIL Rate for Hotels

33. The VS appraisals of hotel development lack clarity as to the scale and type of hotel development that was being assessed. Neither did the examination hearing resolve these matters. I therefore wrote to the Council after the hearing with a series of questions which have been answered in writing and supported by further viability information. An additional appraisal model is based on a 100 room hotel of 2,323sqm (25,000sqft) net and 2,833sqm (30,488sqft) gross. Rental values and construction costs have been updated based on information for Premier Inn budget hotel developments. Benchmark current use land values are based on redevelopment of secondary office and similar buildings in the city centre. The appraisal concludes that a budget hotel development could accommodate a maximum CIL charge of between £150 and £399 psm.
34. The Draft Charging Schedule proposes a CIL rate of £40psm for Hotels which would suggest a generous buffer below the maximum CIL charge rate and no significant risk to the viability of hotel development.

CIL Rate for Leisure Development

35. The Charging Schedule includes a charging rate of £10 psm for 'Out of Town' Leisure (Use Class D2) which a footnote further defines to include health and fitness clubs or private gyms and cinemas but to exclude leisure centres, sports halls, swimming pools, skating rinks and other indoor and outdoor sports.
36. The footnote also says that 'Out of Town' is defined by national and local planning policies. However, at the examination hearings the Council acknowledged that the charge was intended to apply to what the National Planning Policy Framework defines as 'Out of Centre' rather than 'Out of Town' and requested that the Examiner recommend a change from 'Out of Town' to 'Out of Centre'. The Framework defines 'Out of Centre' as '*A location which is not in or on the edge of a centre but not necessarily outside the urban area*'. It defines 'Out of Town' as '*A location out of centre that is outside the urban area*'.
37. Six issues arise from this:
- The description in the schedule effectively divides the charging area for leisure development into 2 zones – Out of Town and (by default) 'In Town'. However there is no map accompanying the schedule that

defines these zones. A different map would also be required if they were redefined as 'Out of Centre' and 'In Centre'

- If the definition remains as 'Out of Town' then out of town leisure developments of this type are unlikely as they would typically be in the Green Belt where they would not be supported by the Core Strategy. It is also unlikely that the viability study evidence relates to development in such locations.
 - The Council explained at the hearing that it regards an 'Edge of Centre' site as out of centre for the purposes of the schedule. However that would not fit the Framework definition which specifically excludes 'edge of centre' from the definition of out of centre. There is a separate definition for edge of centre development.
 - There would need to be clarity as to which are the defined centres for the purposes of the Schedule (eg whether it includes the city centre and local centres).
 - The Framework definition of Out of Town development in the draft Charging Schedule would exclude all development within the urban area. Therefore to amend the Schedule to cover Out of Centre development would significantly extend the coverage of developments to which the charge would apply. Such an extension has not been subject to consultation. There is consequently the potential to prejudice the interests of affected persons, contrary to natural justice.
 - Even if the rate were only to be applied to out of centre locations and if these could be suitably defined on a map, there is no viability evidence to support the exclusion of development within centres from the charge.
38. The Leisure Appraisal in the VS apparently appraises a 2,787sqm (30,000sqft) health and fitness centre. Whilst cinemas are specifically included in the charging schedule there is no supporting appraisal for a cinema. There was evidence at the hearings that cinema developments have different characteristics from other commercial leisure development. In particular it was suggested that many such developments would be unviable without cross subsidy of development costs from complementary developments such as retail. They proceed on the basis that they may enhance the value of the related development. For this reason, the model leisure appraisal is unsuitable as evidence of the viability of cinema development and its capacity to support CIL contributions. A straightforward appraisal of this type may well suggest that a cinema development would be only marginally viable. However if it were part of a mixed development an appraisal would need to have regard to whether the value of the related development would be enhanced by the cinema.

39. Nevertheless, there is insufficient submitted evidence to determine what an appropriate CIL rate for a cinema should be. Moreover there is a lack of evidence to justify a charge rate for either a cinema or other type of leisure development that would only apply to out of town development. Neither would that be likely to generate significant income given that out of town built development for leisure in Sheffield is unlikely to proceed as there is a policy presumption against most built development in the Green Belt.
40. In the circumstances, and since the hearings, the Council has proposed that the charge rate for out of town leisure be deleted. All leisure development would then be categorised as one of the 'All other uses' and subject to a nil rate of charge. This would not prevent reconsideration of the matter of leisure development at a future review. The Council may wish to reconsider this at a future review of the charging schedule.
41. I conclude that having regard to the apparent misdescription of the charging zone, the lack of a map, the lack of consultation on any different definition of the charging zones, and the lack of viability evidence to support differential charging between zones, I agree with the Council that the charging rate for out of town leisure development should be deleted from the schedule.

CIL rates for Retail Development

Meadowhall Prime Retail Area

42. Meadowhall is a large shopping mall with associated development including extensive surface (or partially decked) parking provision which is free for users of the mall. A £60 psm charge is proposed for retail development within the defined charging zone.
43. The VS indicates that Meadowhall has the highest retail values in Sheffield. Notwithstanding the large scale of the existing mall, the defined charging area is not proposed for any strategic development in the Core Strategy and CS Policy CS 7 provides that '*The shopping centre will remain at around its present size*'. It thus does not qualify as a strategic site for retail development as the owners have suggested. Thus there would be no threat to the Strategy should the CIL charge deter retail development.
44. Whilst there are no current retail development proposals, the proposed charging zone nevertheless allows for the possibility that part of the extensive surface parking might potentially be developed with additional retail floorspace, whether as an extension to the enclosed mall or as a more independent development that nevertheless remained integrated with the centre as required by CS Policy CS 7. That implies development close to the existing retail floorspace rather than on the site periphery. A 1,858 sqm (20,000 sqft) Next Home store has recently been constructed adjacent to the mall building.
45. The VS appraisal assumed that 348 sqm (3,750 sqft) net of existing retail floorspace would be demolished to be replaced by 696 sqm (7,500 sqft) net of

new retail floorspace. That is a conservative assumption as it is unlikely that high value modern retail floorspace would be demolished for a relatively small proportionate extension. It is more likely either that the new floorspace would be greater in ratio to that to be lost, or that demolition would be avoided altogether by a freestanding pavilion type development using only land currently occupied by parking or other ancillary uses. The modelled Current Use Value is thus probably too high.

46. If retail floorspace replaces existing surface parking then an issue arises as to how to value the existing use as free parking. No-one has suggested that there is surplus parking provision in the area. The existing parking would therefore need to be replaced and the additional retail floorspace could itself generate a need for additional spaces. Expansion of surface parking on to surrounding land may be resisted on policy grounds and would be less convenient for shoppers. Therefore decking over the existing shoppers' parking already in the same ownership seems probable and can be costed.
47. Whilst existing car parks can be traded and valued for sale that would usually be in the context of paid parking schemes for which it would be possible to devise a valuation based on revenue streams. That is not possible here.
48. A reduction in parking provision could result in the refusal of planning permission for the new retail floorspace should it have adverse consequences such as increased congestion. However, if it did not, changes in existing parking provision for retail development could still affect the values of the development that they serve. That could be one way to value the free parking spaces. Nevertheless, there is no substantive evidence before me to confirm what if any effect that would have on rental values or the value of the centre as a whole.
49. In these circumstances it would be a reasonable approach to value the parking lost to new retail floorspace according to its replacement cost. The Current Use Value would be much lower in this scenario than if the development were replacing existing high value retail floorspace.
50. The owners' agents have made a number of criticisms of the Council's several versions of the viability appraisal. Some, such as the level of professional fees, have been incorporated in revised calculations and do not materially affect the result. Others remain disputed. This demonstrates the degree to which such appraisals are open to disagreement as to the input variables.
51. The shopping mall has the highest retail rents in the area and the recent development of the Next store demonstrates that new retail development is currently viable. Moreover, whereas the original VS appraisal and subsequent modifications assume the sale of the development site by the current landowner to an independent developer, if the development is to be integrated with the Meadowhall Mall, as the Core Strategy requires, it would necessarily be close to the centre of the landowners' landholding and thus surrounded by land in the original ownership. That is unlikely to be attractive to the present landowners since it could compromise the future management of their

landholding. It is much more likely that any retail floorspace development of this type would be undertaken by the existing owners of Meadowhall. In those circumstances the associated land purchase costs and purchase finance costs cited by Representors would not be incurred, significantly improving viability.

52. The Council points out that the proposed charge for a development of the scale modelled would be only £25,490 against a residual land value estimated by the owners at £2.7m. In those circumstances I agree with the Council that it is highly unlikely that the charge would materially affect viability or prevent development from proceeding.

CIL Rate for Retail Development including Ancillary Storage

53. Some Representations have queried the application of the retail CIL charge to ancillary storage within retail developments. However as the distinction between retail and storage floorspace is often blurred, and because storage space can often be converted to retail space after construction, then it is reasonable to include it and there is no substantive viability evidence to the contrary.

Car Parks for Retail Development

54. Surface car parking would not be subject to a charge in any event because it is not within a building. However it is possible that a chargeable development will include ancillary covered parking either in a basement or in a multi storey arrangement. Such parking within a residential development would be chargeable. A footnote to the charging schedule already excludes making a charge for ancillary parking for hotel or leisure development. Representors were advised by the Council that ancillary parking for retail development would also be excluded but the Council then omitted to make this clear in the draft Schedule. At the examination hearing the Council indicated that it would support such a change.
55. It is concluded that there is insufficient evidence to support a CIL charge on covered parking for retail development and there is an admitted error by the Council in not excluding such parking from the charge. The schedule should therefore be amended.

Other Retail Development

56. The Draft Charging Schedule includes a separate CIL rate for the Prime Retail Area in the City Centre which, like the Meadowhall Prime Retail Area, is defined on a map. Large retail stores are subject to the same retail rates within the 2 prime retail areas. There are separate charges for large retail stores anywhere in the city. However small retail stores outside the 2 prime retail areas area would qualify as part of the all other development category that is to be subject to a nil rate.

Conclusions

57. It is concluded that, subject to the amended footnote reference to parking for retail development, the retail charging rates are justified by the evidence. The exclusion of other retail development from CIL charges is justified by viability considerations.

Does the evidence demonstrate that the proposed charge rate would not put the overall development of the area at serious risk?

58. The Council's decision to use a matrix approach is based on reasonable assumptions about development values and likely costs. The evidence suggests that most residential and commercial development will remain viable across most of the area if the charge is applied. Whilst that does not exclude the possibility that the viability of some already marginal developments would be at risk, that is unlikely to materially affect the strategy for the delivery of development. Should there be evidence of such an effect then the Council could review the Schedule and consider other measures such as Exceptional Circumstances Relief or to review the use of instalments.

Instalments

59. The Viability Study assumed that CIL payments would be made in instalments. The Council has a discretion as to whether to seek payment by instalments. Whilst the Council has indicated that it would operate an instalments policy that is not a matter for this examination. Were it to cease to do so there could be a risk to viability. The Council accepted at the hearing that in those circumstances such risk would need to be the subject of review to ensure that necessary development would continue.

Exceptional Circumstances

60. The Council has similarly indicated that it is likely to offer Exceptional Circumstances Relief. Representors have pressed for this but again it is not a matter for the examination. If it is offered it would allow for negotiation in circumstances where scheme viability is at risk.

Proposed Modifications

61. For the above reasons the Council has proposed that the charge for out of town leisure development should be deleted and that parking for retail development should also be excluded from the schedule. I agree. Although the Council has not agreed to amend the charge rate for Residential Zone 2 – East, that rate should be changed to a nil rate for the reasons set out above.
62. None of these changes are required to comply with the drafting requirements but, for the avoidance of doubt, they are set out in the Appendix at the end of this report.

Conclusion and Recommendation

- 63. In setting the CIL charging rate the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in Sheffield. The Council has tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the authority area. Subject to the proposed modifications the Charging Schedule would ensure an appropriate and necessary contribution towards infrastructure provision to deliver the Sheffield Core Strategy.
- 64. The Sheffield Local Plan is at an early stage. But as it is likely to significantly amend the strategy it may be appropriate to consider any revision to the charging schedule at the same time as the Local Plan is submitted for examination.

LEGAL REQUIREMENTS	
National Policy/Guidance	The Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Core Strategy and Infrastructure Delivery Plan and is supported by an adequate financial appraisal.

- 65. I conclude that subject to the modifications set out in Appendix A the Sheffield Community Infrastructure Levy Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

RPE Mellor

Examiner

APPENDIX A

Modifications that the examiner specifies so that the Charging Schedule may be approved.

Existing Entry in Schedule	Modification
RESIDENTIAL (Use Classes C3 and C4) <ul style="list-style-type: none"> • Zone 2 - East 	Amend CIL Charge from £10 to £0.
RETAIL (Use Class A1)	Add cross reference from Retail to existing Footnote 8 ' <i>Excluding car parking provided for the use of the development</i> '.
OUT OF TOWN LEISURE (Use Class D2)	Delete this entry, the associated £10 CIL charge, and the associated Footnote 9.